INTERLOCK

ART, CONSPIRACY, AND THE SHADOW WORLDS OF MARK LOMBARDI

PATRICIA GOLDSTONE

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COUNTERPOINT
BERKELEY

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Library of Congress Cataloging-in-Publication Data

Goldstone, Patricia, 1951–
Interlock: art, conspiracy, and the shadow worlds of Mark Lombardi / Patricia Goldstone.
pages cm
1. Lombardi, Mark, 1951–2000. 2. Artists—United States—Biography. I. Title.

N6537.L64G65 2015
700.92—dc23
[B]

2015022190

Cover design by Matt Dorfman
Interior design by Megan Jones Design

COUNTERPOINT
2560 Ninth Street, Suite 318
Berkeley, CA 94710
www.counterpointpress.com

Distributed by Publishers Group West

10 9 8 7 6 5 4 3 2 1

e-book ISBN 978-1-61902-660-5

For Mark Lombardi

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AUTHOR'S AND PUBLISHER'S NOTE REGARDING MARK LOMBARDI'S DRAWINGS:

An unusual degree of care was taken with this book, owing to both the political and the commercial sensitivity of the material. In the course of the four years it took to research and write this book, the author consulted the hundreds of books Mark Lombardi used to create his drawings and updated them with current work. The author interviewed over eighty people including the surviving members of his family, his ex-wife, ex-girlfriends, his mentor James Harithas, the politician who became his first patron, and the police officers who found his body. We were therefore very disappointed when the Pierogi Gallery, which handles the sale and licensing of Mark Lombardi's art for his estate, chose to withhold permission to reproduce two of Lombardi's drawings. One of our primary considerations was to recognize Lombardi as one of the first, if not the first, great artists of the 21st century, but the writing of serious biography is also a warts-and-all enterprise, and many geniuses are far from impeccable in their personal lives.

Fortunately for the reader there are a significant number of Mark Lombardi's drawings available online. We direct our readers to a number of online sites, where Lombardi's work can be viewed and analyzed electronically.

These sites include:

- www.moma.org/collection/artists/22980
- www.lombardinetworks.net/analyses/reference-analysis
- www.patriciagoldstone.com

“Every exhibition is a well-baited trap.”

—MARK LOMBARDI

INTRODUCTION:
THE ESSENTIAL MARK LOMBARDI

JUST AFTER MIDNIGHT ON MARCH 22, 2000, POLICE CRAWLED through the transom of the studio belonging to a 48-year-old Conceptual artist in Brooklyn. The police discovered the artist, Mark Lombardi, neatly dressed in a dark-blue shirt and matching pants and socks, hanging from a noose slung over one of his sprinkler pipes with an open bottle of champagne suspended from a string beside him. A full bottle of Tylenol PM was in his shirt pocket, a half-smoked joint on his nightstand. According to the medical examiner’s report, several hundred Tylenols littered the floor. Oddly, the police report, filled out at the scene prior to the medical examiner’s arrival, did not note the unusual display. Again oddly, standard procedure to establish time of death was not followed at the scene, but the medical examiner estimated from the distension and slight discoloration of Lombardi’s abdomen that he had been dead at least 24 hours. Neither the police nor medical examiner’s report indicates that drugs or alcohol played any role in Lombardi’s death. An autopsy, performed the next day, noted levels of Tylenol, alcohol, and marijuana in his body despite the fact that, if he had indeed been dead for more than 24 hours, the active ingredients in both Tylenol and alcohol would have metabolized out of his body.[1] For habitual marijuana users like Lombardi, testing can detect traces of THC,

the most active chemical in cannabis, in the body for up to a week after use.

From Lombardi's girlfriend, Hilary Maslon, who had called the police five minutes before midnight to say she hadn't been able to reach him for a week and feared he was deeply depressed over the state of their relationship, the detectives of the 90th Precinct in Williamsburg deduced that the artist showed all the classic earmarks of a suicide—"above-average intelligence combined with fear of success."[2] Maslon, an aspiring fellow artist and heiress to a fortune dependent on one of the commodities conglomerates whose activities are depicted in Lombardi's investigative artworks,[3] neglected to inform them that his elegant drawings, which were becoming not only highly successful but highly visible to the public eye, were art as information, investigating the interconnections of the global money-laundering business.

By a curious coincidence, only days before, *Intelligence Newsletter*, a tiny publication with a sharp focus on the intelligence community, had reported that George W. Bush's presidential campaign could run into trouble over the candidate's association with Khalid bin Mahfouz, banker to the Saudi royal family. Bin Mahfouz, a Saudi national, was under investigation by American authorities for surreptitiously funding a terrorist organization called al-Qaeda through his charitable foundations. He had also had extensive though indirect dealings with Bush during his oil days through Texas middleman James Bath, a subject Lombardi treated extensively in his drawing series on Bush's oil company, *Harken Energy*.[4] Bin Mahfouz was only one focus among many hundreds of others in Lombardi's increasingly celebrated drawings, some well-known, some obscure, dating back to the Nixonian heyday of illegal campaign finance and forward to the administration of William Jefferson Clinton.

Curiously, the police did not examine Lombardi's work, merely noting from the large number of drawings in his studio that the deceased "appears" to have been an artist. Curious, because the artist felt the FBI

had been following him since his youthful days in SDS.[5] Shortly after 9/11, FBI agents showed up at the Whitney Museum of American Art to examine his masterwork on the subject of the Bank of Credit and Commerce International (BCCI) and asked to remove it (the museum refused).[6] Lombardi's mother, Shirley, said, "It has always bothered me, just exactly how the FBI knew it was there."[7] According to the vivid recollection of Lombardi's sister Laura, a "memorial" show at New York's Drawing Center in October 2001 was closed by nameless security officials (Lombardi's memorial show was actually held at Gallery Joe in Philadelphia in October 2000, which makes the story less dramatic, but Homeland Security did indeed visit Lombardi's traveling retrospective at the Drawing Center in 2003).[8]

In early 2002, the FBI's Operation Green Quest raided the offices of several Virginia-based Islamic charities whose Saudi funders, including bin Mahfouz and prominent Bush backers, were highlighted in Lombardi's work.[9] Ironically, the FBI had been examining the wrong drawing. The information it sought was prominently displayed in Lombardi's *Harken Energy* drawing, which was spirited away by a fellow artist to Germany, where it remained for some years.[10]

Nonetheless, after a perfunctory investigation lasting two days that consisted of brief interviews with Maslon and Lombardi's parents, the Williamsburg police declared the death a suicide. The studio door, securely locked from the inside, showed no signs of forced entry except for the transom the police had opened themselves. Lombardi's body was not marked by struggle, and the hasty autopsy determined that his injuries were consonant with having hanged himself.[11] Although there were substantial differences between Maslon's account and that of Shirley Lombardi, who said her son told her just two days before he died that he was jubilant both about his rising success and the prospect of moving in with Maslon, that did not convince the police to keep the investigation open, even though it is standard procedure to do so when witnesses offer significantly different testimony.[12]

As staunch Catholics to whom the idea of suicide is anathema, the Lombardis questioned the perfunctory investigation but felt they were being stonewalled. It took "forever" to get the artist's body back, according to Shirley, who was most emotionally involved. When they did, it had been cremated and all forensic evidence destroyed. The family, led by Don Lombardi, did not press for further investigation.

Shirley Lombardi died, still broken-hearted, in 2012, but even today the smallest detail about Mark's death stirs up a *Rashomon* of conflicting stories among family members as well as lovers, colleagues, and the police records, which state that the bottle of "champagne" so vividly remembered among some of his friends as a romantic gesture to Maslon was really only white wine.[13] In fact, one of his closest friends says that only days before Lombardi's death, the artist, far from being despondent about breaking up with Maslon, told him jubilantly that his recent successes put him in the market for a better-looking girlfriend.[14]

The controversy might have perversely tickled Lombardi himself, a consummate showman as well as artist, whose business card read DEATH DEFYING ACTS OF ART AND CONSPIRACY. Over the years, Lombardi's death has transformed itself into the ultimate piece of Conceptual Art. He was fond of remarking to the younger artists he mentored that every exhibition is a well-baited trap, that by the time a show is ready to be seen, the artist must have already stirred so much buzz among his dealers, critics, and other connections in the art world that its success is a *fait accompli*. As his prices, boosted by the frisson of a murder-mystery, have since soared to a quarter-million dollars for one of the larger drawings (an astronomical sum for works on paper), it is easy to imagine him chuckling somewhere in the afterlife in his characteristic cigarette rasp not only at the length of the list of the people who might want to kill him but at their celebrity—the Vatican, the Mafia, the Bushes, the CIA! At the top of the list, there are dozens of web pages devoted to anti-Bush conspiracy theories spun round the fact that Lombardi joined J. H. Hatfield, Daniel Casolaro, and Gary Webb as the fourth suspicious

suicide by a Bush family researcher. (In fact, the perfunctory police investigation into Lombardi's death bears more than a passing resemblance to that meted out to Casolaro's, which was later the subject of a Senate inquiry.)

Journalists like Russ Baker, Joseph Trento, and Pete Brewton have lived to publish their more-or-less scathing Bush family exposés (though not in election years). But if he was not murdered, what still mystifies many of those who knew Mark Lombardi well is why an artist of his overwhelming ambition would kill himself just as he was tasting the fruits of the success he longed for above all else.

After years of struggle (*New York Times* critic Roberta Smith affectionately called him the "oldest emerging artist in New York"), by 2000 Lombardi had finally arrived, overcoming an inherent prejudice against works on paper with a sensational new form of Pop Conceptualism his new admirers described as "high-end tabloid." His intricate, spider-web traceries of global flows of "hot money" from the 1950s heyday of both the American Mafia and the Cold War to the corrosive international bank scandals of the 1990s were selling like hotcakes—particularly to the newly minted moguls of the hedge-fund business. What was perhaps of interest to financial cognoscenti was how Lombardi's work graphically depicted the global commingling of two very different definitions of hot money:

> Hot money; 1) Stolen money that can be traced back to the scene of a crime. 2) In the study of economics, funds that flow into a country to take advantage of a favorable interest rate and obtain higher return; a perfectly legitimate investment vehicle.[15]

Though like most artists he had plenty of characteristics that might qualify as psychopathology to the unimaginative, Lombardi was, above all, a cunning player of the art game—so intensely competitive that some of the younger artists he mentored say he cultivated them because he

couldn't tolerate making friends in his peer group. He is remembered, in the hothouse environs of Williamsburg, both as a Cheshire Cat who liked to hide his true intentions behind a highly articulate, almost self-parodying scrim of theory that served both as a subtle form of salesmanship and as a joke on an art establishment whose pretensions often infuriated him—and as a natural-born hustler who loved the hothouse and thrived in it despite its pressures. Lanky, athletic, and attractively demented-looking, with an intensity that made his eyes pop behind his thick, black Roy Orbison glasses, he was single-mindedly focused on making his late, great idea pay off. The notion that he might kill himself for love makes some of his male (and female) friends snort with derision.

Lombardi had a rich and messy personal life. He was a chronic commitment-phobe with one failed marriage and one tragic love affair in his emotional baggage. He was unapologetic about wanting to marry wealth but hated being controlled. Although he was "very active on the dating scene," as his father nicely put it, and aggressively courted long-term relationships because of the solace they offered, he favored troubled ones, perhaps because they inevitably ended. His schizophrenic approach to love was aggravated by his obsessive work habits and expressed in his predilection for chasing the young girlfriends of his protégés, who charitably describe him as "an old artist playing a young artist game." He would cut himself off from the outside world for days at a time in the small, grim studio he called "The Bunker," whiting out street noise by tuning his radio to static while he worked to the point of mania, and then fell into the deep depressions induced by sleep deprivation and a racing mind that he could only still with copious intakes of booze and marijuana. His alleged suicide occurred a month after such a binge, occasioned by a flood in his studio which partially destroyed his "ur-drawing" of the spook bank BCCI just as he was finishing it in time for a museum show that was to be a major breakthrough in his career. "When you're starting something 20 years late, you have pressures on you that

your 28-year-old friends don't have," said Raphael Vargas-Suarez, who was in his early 20s at the time he met Mark Lombardi.[16]

For a potential suicide, Lombardi had an extraordinarily robust sense of humor. In fact, he was an imp—exuberant, funny, mischievous, and gregarious when not working, with a toothy grin and an endearing habit of blinking rapidly while he spoke, like an urchin telling an enormous whopper. His mother liked to recall the time he trailed an entire ball of string through an art exhibition to see if he could get away with it, and the prank is a good standing metaphor for his Conceptual work.

Lombardi once joked to his friend Andy Feehan that you could tell people the truth and few would really care. In that sense, his insistence that he was "only interested in creating traditional objects of beauty, available for contemplation without theoretical buttressing" seems tongue-in-cheek, an invitation to a prankishly exciting but dangerous game of hide-and-seek.

When he was asked, as he often was, whether he feared getting a bullet in the back of his head one day because of the sensational criminal networks he documented, he would reply with apparent seriousness that he took all of his research from previously published (and legally vetted) material and could therefore put it up on a gallery or museum wall without fear of reprisal. The art world has bought this myth uncritically to the present day, but startling new evidence makes it clear that Lombardi hoarded precisely the kind of unpublished documentation that a private investigator or investigative reporter would use in his research: He acquired much of this primary documentation through his relationship with Sissy Farenthold, one of the most politically powerful women in Texas, who launched his extraordinary late-blooming artistic success on the wings of her own political furies.[17] In what must be one of the strangest creation-stories in art history, the former Democratic Texas House representative and onetime vice presidential candidate engaged the then-struggling artist to map covert financial activities that, conveniently, included those of her political adversaries.

Through Farenthold's introductions the artist obtained copies of a highly controversial 1976 trust agreement between James R. Bath, an aviation broker who functioned as the Bush family's interface with Saudi business interests in America, and Salem bin Laden, Osama's older brother, a businessman who died in a freak light plane accident in San Antonio in 1988. Among his other activities, Bath purchased and maintained aircraft in Texas for the use of the Saudi royal family, and close connections like the bin Ladens and bin Mahfouz, the Saudi royal banker.[18] The artist also retained records of the FAA codes that exclude such arrangements from its regulatory oversight, an issue of some controversy after Salem bin Laden's mysterious death but even more so when the bin Laden family was spirited out of the United States in defiance of the flight ban immediately following 9/11. These records would have been cause for concern in Bush campaign headquarters in a closely contested election year. Ironically, the son of the enormously influential Democratic Senator Lloyd Bentsen, who with President George Herbert Walker Bush was one of the two most powerful politicians to come out of Texas, was Jim Bath's business partner, thus creating equal-opportunity image anxiety.

Lombardi was emerging not only as an extraordinary artistic talent, but also, potentially, as a high-profile threat. At least six months before his death and around the time that the Whitney Museum began considering the purchase of his major work for exhibition, he was making his research available to people in positions to bring indictments and prosecute corruption worldwide.

CONCEPTUAL ART IS loosely defined as art in which the concept is more important than the skill of the execution: It is art for the sake of information that purports to question the very meaning of art itself, particularly in relation to commerce. But, for all its emphasis on information, its meaning is often deliberately obscure. Conceptual artist Mel Bochner, who dislikes the label applied to his own work, says, "It is

not always clear what 'concept' refers to, and in defining a work of art it is important not to confuse what is referred to as 'conceptual' with the artist's 'intention.'" In keeping with that principle, without exception all those who "knew" Lombardi say they never knew him well—certainly not well enough to know what he was really after in stringing together a stunning continual visual record of the cozy relations between intelligence agencies and organized crime in funding half a century's worth of black operations and illicit wars, all under the Emperor's New Clothes of Conceptual Art. One friend and former dealer who knew him better than most said, "No one ever knew what Mark's real thing was."[19] Money only interested him as the means to do what he wanted. Power meant responsibility, and responsibility was something he didn't want. But one thing he did want, from a very early age, was fame, and his brilliant "high concept" hitched him to that precarious chariot.

When Conceptualism emerged out of Dada and Fluxus in the 1960s and 1970s and overlapped into performance art like the "happening," its detractors derided the new movement as a sham and a cover for the lack of solid academy skills. It is in many ways the perfect art vehicle for the Internet age. The installations of proponents like Sol LeWitt, who defined the form by saying, "The idea becomes a machine that makes the art," can be constructed by anyone following a set of written instructions. Lombardi in fact did use Conceptualism's emphasis on ideas over aesthetics and execution to hide his own lack of drawing and painterly technique, but also as a great actor might use a series of masks to hide his true intention.

Marcel Duchamp, the father of Dada who used ordinary objects such as the famous urinal to create heavily ironic anti-artworks based in anti-bourgeois, antiwar politics out of literature, art manifestoes, art theory, political demonstrations, theater, and graphic design, was the artist that Lombardi admired most. Lombardi went far beyond Conceptualism to lay claim to Duchamp's mantle. Brilliantly manipulating the scrim of art-speak as a form of protective coloration, Lombardi took as his "machine"

quite another form of ordinary object—an arcane litigation tool known as an interlock search, a prosaic accounting device which art specialists, understandably, failed to recognize but which is immediately familiar to attorneys who often refer to it as a "flow-of-funds" chart.

Popular among trust-busting attorneys in the 1970s—the last time busting monopolies was itself popular—an interlock search is a form of flow-chart cross-referencing the boards of companies suspected to have overly cozy links. A direct interlock exists between two companies when one person serves on the boards of both, and an indirect one when members from their boards serve together on the board of a third company. The best examples of interlocks, direct and indirect, can be found between the five American members of the oil cartels and the seven biggest American banks in the 1980s, a favorite area of Lombardi's research. He drew heavily on the work of financial analyst Mark Hulbert, whose how-to book *Interlock: The Untold Story of American Banks, Oil Interests, the Shah's Money, Debts and the Astounding Connections Between Them* I found in Lombardi's extensive library of political and financial works. The trustbusters loved going after these cabals, and in fact Lombardi's second BCCI drawing was published by AntiTrust Network International.

Lombardi called his interlocks "narrative structures," suggesting they were visible narratives that can be read just the same as a newspaper story. Small circles in his drawings identified the main players in his scenarios—individuals, corporations, and governments—along a timeline, with arcing lines showing personal and professional links. The often-dramatic curvature also suggests what is known as the "arc" of a dramatic scene. With the French arc, he extrapolated these into pretty, oddly nature-inspired patterns that are distorted by the brute capitalist tale they tell. As one critic breathlessly put it: "Their fragile wholeism is poisoned by the sinister and cynical events they describe—acid rain erodes the snowflake, the pattern is upset, inquiry must be renewed. As stories about reality, Lombardi's drawings offer a kind of wish-

fulfillment for the confused but honest citizen—'Can you show me how this works?' In a way, he can. But on a deeper level, of course, it is not that such concerns about democracy and disclosure, pleasure and design, are ever answered."[20] The confusion, however, lies more in the eye of the art critic unfamiliar with interlocks than that of the artist, whose "intention," as per his joking observation to his friend Andy Feehan that you could tell people the truth but few would care, seemed to be to hide the truth in plain sight.

Critics and curators like Lawrence Rinder, now director of the Berkeley Art Museum and Pacific Film Archive, say Lombardi was "after a metaphor for something larger"[21] in his work, but it is difficult to imagine anything more concrete than an interlock or larger than the scope of his immediate subject. Lombardi expanded the definition of "corporation" to encompass the shadowy entities behind offshore banking and global money-laundering. His mature work, in over 25 large drawings executed between 1994 and March 2000, is a rigorously researched, continuous graphic history showing how one form of "hot" or stolen money has become inextricably linked with the other, more legitimate form in the unregulated or "shadow" reaches of the world economy, where loopholes in foreign exchange restrictions have been freely exploited by the Mafia and various intelligence agencies since the end of World War II, and where capital flow, now enhanced by corporate consolidation and infused with petrodollars chasing legitimate, tax-free investment, has swelled to volumes that can either rescue struggling treasuries or swamp financial markets with floods of fugitive liquidity. As we shall see, he linked his drawings together to suggest the building, over time, of a single network which, like a predatory organism, has consumed the ecology that nourished it: At the nadir of the 2008 financial debacle, the money-laundering watchdog IMOLIN reported that drug money was used to bail out banks when no other liquidity was available.

WHAT REMAINS OF Lombardi's "set of written instructions" is contained in

over 14,000 three-by-five-inch note cards now housed in the archives of the Museum of Modern Art. They are for the most part a hybrid of standard historiography and filmic storyboarding, based on previously published sources, which he condensed into bullet points of essential information and then carefully alphabetized. Once he had assembled enough data on one of his subjects, he began sketching by placing the relevant index cards detailing specific connections next to the drawing in process, then organizing them into larger networks using a horizontal timeline and a drafting instrument known as a French arc for the sake of what he called "compositional unity." However, his use of the French arc is worth noting. The instrument is commonly used to construct Fibonacci spirals, a logarithmic geometric form with many applications in parallel computing and quantitative analysis. Lombardi's reliance on geometry commonly used to predict market pullbacks underscores the question of whether his investigations were purely artistic in nature, as does the fact that over half of his file cards may still be missing. In examining the entire cache of 14,000 cards at MoMA, this author noted that only four cards pertaining to one of Lombardi's primary subjects, the Bush family and its dealings, remain in the archive.

The genesis of all Mark Lombardi's "narrative structures," according to his dealers, were originally contained within two boxes of file cards that focused on the rogue bank BCCI. By tracing the players in those two boxes, Lombardi discovered a chronology which began with the ring of American capitalists most interested in removing Castro from power in the late 1950s and progressed to the costly, campaign-finance-inspired political interventions in the regulatory process that began in the Nixon era and which greased America's recurrent savings-and-loan crises of the 70s and 80s. The artist then followed a pattern of corporate consolidation in the activities of CIA-connected flight capital specialists such as Bernie Cornfeld's Investors Overseas Services, an elaborate mutual fund scam eventually taken over by the criminal financier Robert Vesco that assisted large amounts of the hot money those crises generated out of the country.

In *World Finance Corporation of Miami* and *Nugan Hand Bank*, and then, in drawings such as *BCCI-ICIC-FAB* and *Inner Sanctum*, Lombardi walked up the intelligence food chain to the shadowy bankers who facilitated arms and drug smuggling, espionage, and guerrilla and economic warfare to service right-wing political agendas on a global scale, from the ill-starred Bay of Pigs invasion and the colonels' junta in Greece to Iran/Contra and the arming of Saddam Hussein.

Inner Sanctum, centered on the activities of Nixon crony Michele Sindona, shows how these activities metastasized into the bloodstream of the global economy. Sindona, an exceptionally resourceful tax accountant, worked simultaneously for the Vatican and the Mafia and financed anti-communist activities for both the CIA and extreme right-wing elements within the Holy See. An early expert in the use of derivatives, he moved more than $800 million in the late 1960s by the adroit use of currency swaps, the most basic form of derivative—and the one on which most hedging strategies are still built today.

In his *BCCI* series, which the artist regarded as his "ur-drawing" because he said it incorporated all his other drawings, Lombardi tells the story of how BCCI, under the aegis of George H. W. Bush, fulfilled the CIA's long-cherished dream of circumventing the need for Congressional approval of funding for covert programs in the CIA's long fallow period after Congressional investigations of the Watergate scandal closed its money taps. It was a story only published in full for the first time four years after Lombardi's death, in investigative journalist Joseph Trento's *Prelude to Terror*.

With his invaluable cumulative record of key players and their connections among themselves and with high-level government officials, Lombardi plugged the crater blown in investigative reporting budgets by shrinking circulation, corporate consolidation, and the Internet. As we shall see, he passed himself off as a reporter to obtain hard information from lawyers and bankruptcy examiners and farmed out his research to lawyers and to politicians. Friends said he sourced *The Washington Post*,

but the cards show he was also in contact with the CIA's overlord, the National Security Council.

Lombardi always claimed to be an outsider, but at times his knowledge—and timing—were nothing short of miraculous. In 1994, just as the Senate investigating committee led by John Kerry wound down its probe on how BCCI manipulated the commodities and securities markets by acknowledging that it lacked the resources to complete it, Lombardi produced, at white-hot speed and as if on cue, a series of eight drawings that were a laundry list of the leads the Senate said it lacked the resources to explore. These include the relationship between BCCI and Banca Nazionale del Lavoro, the large state-owned Italian bank that collaborated with US and British intelligence to build up the Iraqi arsenal of the 1980s; between BCCI and the late CIA director William Casey; and between BCCI and S&L fraudster Charles Keating.

In fact, Lombardi was not entirely an outsider. His father's cousin and business associate, Tarky Lombardi Jr., chaired the New York State Senate Finance Committee for 16 out of his 27 years as senator. His most important and mysterious patron, Sissy Farenthold, is still considered one of the most influential female politicians in Texas. That he not only hoped to achieve fame but to affect change by his work is evident in the quotes he filed within his investigative arsenal—"Revolution is not showing 'life' to people, rather it is making them live" (French Marxist Guy Debord); "The hottest places in hell are reserved for those who, in times of great moral crimes, remain neutral" (Dante); "Those who cannot know are forced to believe" (John Locke); "Nothing seems to me so like a whorehouse as a museum" (Michael Lewis).

Herein lies the seam of conflict in Lombardi's character, between his youthful ideals and a young man hell-bent on achieving fame. His claim that his drawings can be read like a newspaper is disingenuous: The information in them is too complex to be comprehended without either extensive knowledge of the underlying material or continual reference to his file cards. In his lifetime, Lombardi refused to exhibit the cards

alongside the drawings because, he and his last dealer insisted, they were not actually his art but "a side element, a private code." As Sol LeWitt has pointed out, the great peril of Conceptual Art is that anyone with a set of written instructions can do it. As a cunning and competitive player of the art game, Lombardi must have known that if he had made his cache of information entirely public, his unique commercial value as an artist would have suffered, a prospect that probably scared him more than the possibility of retaliation. At the same time, he had the moral obligation to do so, and the prospect of even greater fame as the first artist to do metadata, the equivalent of a Julian Assange or an Edward Snowden. That tension certainly drove him in the last year of his life, but whether it was enough to drive him to suicide is a question that cannot be answered without subpoenas. Lombardi's "continual drawing" offers a clear view of an intelligence underworld where a small group of players have, for the past 50 years, metastasized their way into the world financial system. By a curious coincidence, his death occurred the same year that the Commodities Futures Deregulation Act, enacted by President Bill Clinton with virtually the same pen stroke with which he pardoned commodities mogul Marc Rich, enabled those same players by deregulating the trade of oil, agricultural products, and other commodities in the form of swaps and other over-the-counter derivatives. The most immediate result of the act was Enron, a debacle Lombardi's friends and colleagues wish he had been alive to draw, particularly as he had marched in a protest on Enron chief Ken Lay's Houston home as early as 1992.

In the final months of his life, Lombardi made at least two connections that might have derailed the course of the 2000 presidential race. He was just getting started on the cross-migration of "privatized" Cold Warriors into dominant corporate positions in the oil security business, and the related cross-migration of the Russian mafia into US banking. No doubt the ironies of cultural exchange in the unique shadow world he was mapping elicited a cackle or two in the smoke-filled silence of his lonely studio. But the ultimate irony, as we shall see, is that the

same intelligence community he spent his life studying is now studying him.

More than 15 years have passed since Lombardi's death, but, astonishingly, no one has yet attempted a full biography of this enigmatic and controversial artist, who despite—or perhaps because of—his personal shortcomings opened a unique window into one of the great stories of our time. The artist himself first tried to combine his "narrative structures" in the form of a book, but gave up because, he said, he couldn't keep all of the stories in his head. This book is an attempt to honor his "intention."

PART ONE

1

KENNEDY'S CHILD

ANNOUNCER: I think the Presidential motorcade must be approaching now, because the cheers are growing nearer. It's a beautiful day here in Dallas, despite a light rain, and the people have turned out by the thousands to welcome their leader. President Kennedy's political enemies warned that there would be hostilities and riots, but listen to those cheers! Yes, here is the motorcade, and there's the President's car; we can tell because you can see Mrs. Kennedy's pink dress. They've left the bubbletop off the limousine in spite of the rain so they can see the people and the people can see them, and they *love* them! *The crowd noises are suddenly drowned out by two sharp gunshots. Then silence.*

—*KENNEDY'S CHILDREN*, BY ROBERT PATRICK

THOSE OF US WHO WERE CHILDREN ON NOVEMBER 22, 1963, share a vivid memory of seeing adults—our teachers—weep for the first time. Hearing the enforcers of our ordered little world choke and fall silent on the possibility that there was no order and nothing to enforce, nothing to do in fact but to close up shop and send us home to our parents, was somehow more devastating than the assassination itself. It felt like falling off a cliff, into an abyss of anarchy. And, if the president, who was so young and so handsome, so uniquely blessed by the gods of privilege, if the president who made the whole country feel as if it was gliding alongside him in a limousine bubble of American exceptionalism could be shot just like that, how could anyone ever tell us what to do again?

To the playwright Robert Patrick, the son of Texan migrant workers who eventually made his way to the stage of New York's Caffe Cino in its avant-garde heyday, the 70s were the detritus of the 60s. The drug epidemic raging in New York's streets, the quicksand of Vietnam, the

“really male, really paranoid, militaristic thing about how the underground was being infiltrated by FBI and CIA men” that stamped the SDS student movement, even the gender-bending of the sexual revolution could all be traced back to the moment in 1963 when the president, the young, sexy, good father of his country, was gunned down through all the protections his enforcers had put in place around him. He would share that vision with another working-class artist, Mark Lombardi, whose upper-class, essentially anarchistic teacher, the iconoclastic museum director Jim Harithas, would reverse Patrick’s judgment in calling his most famous student the “idealism of the sixties working through the seventies.”[1]

To Patrick, the Age of Aquarius was not a dawning but a giant step backward into a new dark age in which the country which had won the Good War had just suffered the most crushing defeat in its history by forces it suspected to be its own, and youth was governed only, if at all, by a sense of betrayal and abandonment so deep as to make conventional markers of progress—education, profession, marriage, family—not only impossible but absurd. But if Mark Lombardi, age 12 and glued to the black-and-white TV in his parents’ basement den in Manlius, New York, on the day of the assassination, felt betrayed or abandoned, he was careful to conceal it. Emotional matters were not discussed in his family, and he was already well on his way to becoming the person his younger sister Lisa would later call “the King of Irony.” Unnerving in a child his age, his obsession with the endless details of the Kennedy assassination coverage seemed to those around him to be primarily intellectual, an abstract fascination with the newsgathering process and with the conspiracy theories that swarmed like furies in the wake of the event. For his 13th Christmas, Lisa, 12, would give her adored and hated Pied Piper of a brother a copy of the Warren Commission report that concluded that Lee Harvey Oswald acted alone, as did Jack Ruby when he killed Oswald before he could stand trial. Mark never finished it because he disagreed with its findings so vehemently.[2]

Behind his staring eyes, a little too wide-set for his otherwise good-looking face, he seemed intent on putting together the pieces of an enormous puzzle. It was a game, and, in the back of his mind, there was already a prize.

FROM A VERY early age, Mark wanted to be famous. No one in his family could say why. Some of them suspected that he wanted to distinguish himself from them, and that irritated them almost as much as his conceit in refusing to help around the house. They could not fathom the restlessness of his undirected intellect, fed only by the TV or the John le Carré spy novels that his father loved. When Mark was 12, and his best friend got an IQ score two points higher than his, he threatened to have a nervous breakdown. Yet his grades in school were indifferent. He would work hard only if a subject interested him, like Russian, in which he excelled, or art. But even in art he would not work to overcome his technical deficiencies. He would find a way to change the curriculum instead, to provide himself a means by which he could win.[3]

Behind his eyes, as he parsed the scenes from President Kennedy's funeral on the flickering black-and-white TV in his parents' den, a disturbing equation between fame and dying young was taking shape. It was not altogether unusual for a time—and a political campaign—that marketed the youth of the president unrelentingly. As Patrick puts it in *Kennedy's Children*: "And the day after Marilyn [Monroe] died, fifty million little boys and girls rose up with one overwhelming, irresistible, indefatigable ambition: to be the next Marilyn Monroe." It would be some years before Mark Lombardi would articulate his admiration of people who either died young or took their own lives: "Live fast, die young." "Don't burn out, flame out." Lisa, to whom he confided his romantic infatuation with easeful death, thought it was creepy. She didn't enquire further because, as was often the case between Mark and Lisa, she didn't want to know the answer.[4]

The Kennedy assassination planted a seed in fertile soil, in a young

boy who had been educated by nuns and steeped in the gauzy infatuation with martyrdom and death memorialized by so many Roman Catholic writers with varying degrees of exasperation, affection, and bitterness. Around the time that John F. Kennedy was killed, Mark announced his ambition to be a priest. Lisa, who was one year younger and who walked to confirmation classes with him in the religious school behind their church every afternoon when the normal school day ended, declared her candidacy for the convent. Their vocations lasted until they were confirmed together, but Mark retained a lifelong infatuation for the pope, particularly for John Paul II, born Karol Jozef Wojtyla in Poland, who drew audiences as vast and as vociferous as any rock star's as he traveled the world, reproving dictators, slaying the dragon of communism, and lecturing heads of the three major religions on how to get along (a favorite topic for Mark). Even when he was a party boy in the fleshpots of Williamsburg, Mark kept pictures of John Paul on the walls of his dingy, windowless studio. No one who knew Mark could say whether the Pope's image was to inspire him, to hold him from harm, or to oversee his assignations.[5]

For a boy of Mark's temperament, the prosperous township of Manlius (population 32,299), a predominantly white suburb of Syracuse that CNN once rated one of the 100 best places to live in the United States, was a place where something desperately needed to happen. Art historian Robert Hobbs said it reminded him of Jimmy Stewart's small-town American idyll in *It's a Wonderful Life* . It was almost too idyllic, a 1950s dream of white-shingled houses with American flags out front and deep front porches that melted into the lush upstate New York countryside. There were no back fences, and the kids ran from yard to yard in warring, whooping tribes, into acres of woods where they could play undisturbed for hours. The tribes on the other side of the woods were hostile, and the Lombardi kids would capture them and make them their slaves. In the fall, there were apple wars, fought with catapults and slingshots. Mark, wearing a cape and a crown and sword, would allow

Lisa to pull him around in his red wagon as he commanded his troops. He was always in charge of the slaving raids. He was the king.[6]

There was another side of Syracuse that was not so idyllic, a side where the tribes fought their wars across the barricades of ethnicity and culture. Like its near neighbor, Buffalo, Syracuse was inundated with Italian immigrants in the 1880s, when they arrived hungry for the abundant jobs available for those willing to do manual labor. They butted up against the Irish, who had likewise flocked to the area in the 1820s to build the Erie Canal, which made transcontinental transport of Syracuse's chief commodity, salt, cheap and easy. Syracuse grew wealthy exporting most of the salt used in the United States, but when the West Shore Railroad from Weehawken to Buffalo was built in the 1880s, Italian hands did the work. Fayetteville and Manlius, Mark's childhood homes, were built on the flanks of what became known as Tipperary Hill when the Irish settled there in the mid-19th century. When the Italians moved in, the Irish moved out, to the north side of the city. Hydroelectric power from nearby Niagara Falls created an explosion of mills and factories to make up for the decline in commercial salt production in the latter part of the 19th century, but even though jobs were plentiful, there were not enough to prevent often deadly rivalry between the Italians and the Irish, who considered the newer émigrés "unacceptable."

The Lombardis arrived in the 1910s from Abruzzo, a poverty-stricken region of Central Italy with strong historic ties to the Kingdom of the Two Sicilies. Mark's grandparents refused to speak Italian around their children because they wanted them to assimilate. Don Lombardi, Mark's father, grew up without ever having learned it, but by the time he came along his father and uncle were well-established in the sheet-metal business, a tradition in their native village of Collolongho that found ample outlets at the Syracuse Iron Works, the Bessemer Iron Works, the Onandaga Iron Company, the Sanderson Brothers Steel Company, and the Sterling Iron Ore Company, which lined the streets of Fayetteville and Manlius. The Lombardi brothers prospered, employing up to 250 workers

at a time when Syracuse was the hub of high-end manufacturing in the state. Automobiles, bathroom fixtures, cans, carriages—virtually everything that had metal in it from typewriters to railroad parts—were manufactured in Syracuse. The Lombardis branched out into construction and eventually won the contract for all the ductwork and siding at the Nine Mile atomic plant in Oswego. Once they rose in the world, the pain and the sacrifice it took to get there was buried deep.[7]

With the immigrants came their fixers, the predominantly Sicilian Mafiosi who both protected them and extorted from them. Stefano Magaddino, the Prohibition-era boss of the Buffalo crime family, emigrated from Castellemmare del Golfo in Sicily at about the same time as the Lombardis, in the early to mid-1910s, and settled in the then-Sicilian enclave of Williamsburg, Brooklyn, where Mark Lombardi was to achieve his stardom in the century's last years. After quickly making his bones in the New York City underworld as the leader of a gang of Castellemmarese gangsters known as "the Good Killers," Magaddino was arrested in New York for the alleged murder of a rival gangster from his hometown and moved his operations to western New York. Under his tutelage the Buffalo crime family rose to prominence during Prohibition, benefiting from its proximity to the porous Canadian border and to Magaddino's connections to Canadian Mafia groups in southern Ontario, which supplied liquor to their colleagues in the United States. Magaddino and his cohorts grew wealthy from their profits and continued to be a major underworld force throughout the 1950s and 1960s, dominating the New York rackets in gambling, loansharking, narcotics, and labor and union rackets including pensions. After the American and Sicilian Mafias had their famous summit on globalizing the drug trade at the Grand Hotel des Palmes in Palermo, Sicily, in October 1957, Magaddino and his clan upgraded their Prohibition network to carry another commodity, heroin, through Montreal, the Canadian-American border crossings in Niagara and Fort Erie–Buffalo, and down the East Coast. In Syracuse, they were represented by Salvatore "Sam" Scro, a subject of Robert Kennedy's

famous Mafia investigations that made upstate New York a primary focus.

Kennedy was not the only investigator to focus on upstate New York. Mark Lombardi's teacher and mentor, Jim Harithas, often told his students that in order for their art to reach an audience, they first had to make it real to themselves, an instruction that the beginning artist, struggling to find his voice, may have taken too literally. Shortly before his death in 2000, Mark Lombardi was allegedly warned by phone to desist in displaying the affairs of the five major New York crime families in his art.[8]

The meaner streets were kept at bay in the Lombardi household in Manlius, where there were strict codes of conduct. If you talked back, you were sent to your room, where Mark spent a significant proportion of his time. Religious instruction from the nuns was a must until confirmation. You had to wear a hankie in your pocket and socks on your feet to come to dinner. Wearing a baseball cap was out of the question. And politics were not discussed at the dinner table, where Mark began his career as a gadfly.[9]

When John F. Kennedy was elected president in 1960, the boy launched an ongoing monologue about how happy he was, and how the young president was going to change the course of American politics, all of the things he had learned in class from his adored fifth-grade teacher, Mrs. Dann. His father listened in stoic silence as Mark talked on, and on, and on. Mark was a pent-up torrent of information, a lonely, hyper-bright, aggressive child who wore out everyone around him in his frenzy to grab center-stage. Once he got started, he was impossible to stop. He was the cuckoo in the family nest in more ways than one. His siblings resented being pushed aside in his need to monopolize every available scrap of attention, particularly female attention. "It was all about Mark, 24/7," Lisa said. Shirley, his staunch defender, adored him and saved all of his school reports and every scrap of memorabilia in a folder she titled "My Babe."[10]

Mrs. Dann was a staunch Democrat, and so Mark became one. This killed two birds with one stone, a skill Mark would develop to even greater effect later in life: 1) To win the favor of Mrs. Dann, who was deeply committed to the Kennedy cause and who listened to him, Mark Lombardi; and 2) To get the goat of his father, Don, an equally staunch if not so vocal Republican, who did not.

Don Lombardi had strong personal and financial ties to the Republican power structure of New York State. His cousin, Tarky Lombardi Jr., a Syracuse City Council member at the time, was to serve from 1966 to 1992 as a Republican state senator, including a lengthy stint as chairman of the powerful Senate Finance Committee and the Senate Health Committee. When he left the Syracuse City Council, he urged his cousin to take over his seat. Don, who describes himself as apolitical, declined.[11]

Even as a child, Mark was what his sisters call a "stonehead" who butted up against his strict and often inarticulate father. He was not only obstinate but also more than a bit of a bully who used his intellect and his formidable verbal skills instead of his fists. Small and skinny, he avoided picking fights he couldn't win. He was a ruffler who liked to tell enormous whoppers and then dare the grownups to call his bluff. He would spin his tale, wind you up, and then reel you in with a cocky little smirk that meant "Gotcha!" He was a very good talker from his earliest years. He could talk himself out of any scrape he got himself into, and there were a lot of those. His family describes him as a hellion and a chronic envelope-pusher with varying degrees of affection, particularly Lisa, who became his unwilling accomplice in many escapades. Even Mrs. Dann gave him less-than-commendable marks on "Respects rights and properties of others" and "Observes school rules willingly." But she listened to him. Mrs. Dann, an activist who peppered her classes with liberal politics, enjoyed Mark's tendency to disrupt the classroom with incessant if highly intelligent questions.[12]

Others did not. The family called him "Mighty Mouth" because he

was so opinionated. Their opinions didn't matter. His opinions were the only right opinions, and he would just keep talking until they agreed with him. Most of it was a game. Mark amused himself endlessly by jabbing reactions out of people, but he was also desperate for some form of communication in a household where people found the question "What do you want to eat for dinner?" of much more interest than the kind of intellectual discussion he craved to feed his growing, hyperactive mind. He was exhausting.[13]

Don Lombardi found his firstborn difficult to raise. When he was called up for his National Guard service in 1961, he laughingly referred to his hitch in the military as a vacation. Shirley, a fiery little spit of a woman who weighed 110 pounds when he married her, failed to see the joke when he left her at home with four young children. For Shirley, 1961 was a particularly horrible year. That was the year she had twins, two little girls, Laura and Linda. Linda died in the hospital, before she could even be brought home. Though Mark never met his other baby sister, he could not fail to observe the effect on his mother. Don could not deal with grief. He refused even to attend the baby's funeral. Not long after, in 1962, he left for Germany, where he finished his military service. The subject of Linda's death was shrouded in silence for many years until Mark's own death was to bring it up again, and Shirley finally vented years of pent-up pain at being emotionally abandoned.[14]

Two months after Kennedy was elected, Mrs. Dann died in a freak car accident, and even Mark fell silent. His report card for that year, compiled by three different teachers, reads: "Obviously a true analysis of progress is difficult. Your child is to be commended for adaptability and cooperation in this difficult circumstance." It is impossible to know if they are referring to Linda's or to Mrs. Dann's death—perhaps to both.[15]

The Lombardis are not a family that discusses much, certainly not in front of strangers. Such reticence is not unusual in families in which the Old World is a recent memory, and where difficult or unpleasant topics of conversation are often buried in the interests of getting ahead. But the

Lombardis observe a code that amounts to *omertà*—the Mafia code of absolute secrecy that means among other things that information is only conveyed elliptically if at all. Even today, it is somewhat shocking to hear his family say how little they knew about Mark. His college girlfriend for three years is described as "just a hanger-on." The date of his divorce is not remembered. A thick fog of silence descends around the subject of his (many) social transgressions and the circumstances of his death. It is easy to imagine that he sinned just to shatter their silence.[16]

There was another side to Mark that he kept under wraps, particularly from his family, a side that felt damaged, excluded, and lost. He collected photographs of deformed and/or institutionalized children, learning how to compensate for their disabilities by, say, playing a tambourine with one foot. When he opened his own art gallery years later in Houston, he favored collecting outsider art. The photos strongly suggest that he identified with their disability in principle—that his extraordinary ability to single-mindedly focus on and indefinitely retain vast amounts of information may have been a form of Asperger's syndrome. One of his teachers felt that he had developed his immense capacity for research to escape from other problems. Others have intimated that he was bipolar, but there is no diagnostic evaluation to support a diagnosis of manic depression. Both his parents stubbornly insisted that he grew up "normal."[17]

In the year before he died, Mark told his sister Lisa that he had embarked on a course of psychotherapy for the first time and described a dream in which he was outside their childhood home in Manlius, wearing white gloves which he then had to hide because they were Lisa's gloves and his family members were all inside laughing at him. Though they were not aware of it before his death, with the benefit of hindsight the family speculates that Mark, though aggressively heterosexual throughout his adult life, suffered from doubt about his masculinity. It is equally possible, however, that he suffered from a sense of being an outsider in his own family—an exceptionally tight-knit as well as tight-

mouthed clan whose tastes and aspirations he did not share, and whose warm and cozy but hermetic togetherness stifled him.[18]

Oddly, for someone who as a sophomore in high school would announce that he was going to be a famous artist, as a boy Mark was clumsy with his hands. His sisters believe that his dream of the white gloves translated the fear that his parents believed he was gay because he couldn't do anything mechanical. That failing marked him the odd man out in a family where there was a high degree of talent, measured in the ability to make things. Shirley Lombardi, who was herself a talented watercolorist, taught her girls to sew, crochet, quilt, embroider, and do crewelwork. Don Lombardi, who furnished the family's homes with Stickley furniture he made himself, taught them woodwork, how to make electrical repairs, and how to fix a car. Every week or so, he would bring them home copper bangles he made from scraps at his metal-shop. But Mark made it a point of pride to avoid doing anything around the house. He was famous in his own family for not being handy, which incurred not only his father's active and long-lasting resentment but that of his siblings, who were all required to muck in. As one of them put it, "Mark wasn't into helping anyone unless he had a reason to do it."[19]

To the family, Mark could do anything he wanted—if he chose to. If he chose to be different, it must have meant he didn't want to be like them. His desire for fame was another way of declaring his difference.

As he grew older, Mark turned the topic of dinner-table discussions from the virtues of Democratic versus Republican politics to the virtues of fine art versus craft, in other words, the very skills that had enabled his family to achieve an enviable standard of life. He derided craft, meaning any form of art that had functionality, with the same scorn he used on household chores. To his father in particular, that was a slap in the face.[20]

Don Lombardi is inordinately proud of the four houses that he built himself, and of the business his family built—a business his oldest son showed no interest in inheriting. A good Italian papa, he may have been strict with his four children, but with the money that he made, he took

them everywhere—on boat trips up the Saint Lawrence in the summer, and on family ski trips in the winter. Mark grew up a competitive skier, good enough to earn his way through college as an instructor. So when he refused to use his hands around the house or in the metal shop, which he equally disdained, it must have seemed to Don that he was throwing away the good life with both of them.

Mark's high school handbook from 1966–67 begins: "Happiness is quite often related to success, unhappiness to failure. You can make high school what you want it to be. Like almost everything else you have to choose. Will you make high school really worthwhile/you can, you know!"[21]

In high school, Mark found another vehicle for expressing his difference. He discovered the art department, which at Fayetteville Manlius Central High School was extremely strong and vocationally oriented, a reflection of Syracuse's long history of making things. Basic Art 1, a full-year course required for art majors, included drawing and painting in various media, painting in oil, watercolor, contemporary painting, advertising design, costume design and fashion illustration, interior design, textile design, graphic art, printmaking, ceramic and sculpture, and art history. It became a vehicle not only for his growing ambition but also for his personal life. The cool kids at Fayetteville Manlius all hung out in the art department. So did the best-looking girls. Mark quickly became known for his stubborn insistence on dating only the most conventionally beautiful girls, the girls that everybody else in high school wanted. To his sisters, he announced his wish to marry up, to someone wealthy and preferably famous, to help him achieve his goal of becoming a famous artist.[22]

Unfortunately for both of Mark's ambitions, he quickly discovered that he couldn't draw. Lisa, who followed him into the art department, was quick to point out this failure, along with his lack of color sense. In the art department, he befriended Mike Reynolds, a boy from a troubled family with none of the advantages of his own. With one of the quixotic

impulses that contrasted so vividly with his characteristic self-centeredness, he persuaded his parents to invite Mike to stay with the Lombardis for a couple of months. Mike had all the technical skills that Mark conspicuously lacked—and which his parents admired. To this day, Mike's blue pastel study of Christ's hands and face hangs on the wall of Mark's parents' bedroom. It is a technically gifted and completely trite piece of work that Mark's father shows off with as much pride, and far less puzzlement, than the mature work of his own son.[23]

Never one to try for anything he wasn't good at, Mark quickly switched his focus to other media in which he had a better shot at success than drawing. His verbal skills and magpie collecting sense steered him toward collage. So did his interest in politics and social commentary. In his junior year in high school he created a collage around *A Walk on the Moon*, which captured the heady optimism of the Kennedy era and won him a National Scholastic award. It still hangs in the family den along with another impressive piece of pastiche, a palimpsest of religious themes and High Renaissance images titled *Toward us, therefore look ahead*. It was 1967. Mark was 16. Robert F. Kennedy was United States senator from New York, and Tarky Lombardi had just been re-elected in the State Senate.

In less than a year, Bobby would himself fall victim to an assassin's bullet in a crowded kitchen corridor in the Ambassador Hotel in Los Angeles. Mark Lombardi would dig into the fresh assassination trail with renewed fascination that soon became an obsession. He was heading off to college in the fall, but he didn't see a need to plan beyond his immediate interests. His successes in the art department had given his inchoate lust for fame a direction. Now he knew one thing for sure—he was going to be a famous artist.[24]

2

PROMISE AND CONFUSION

"Standard accounts have tended to claim that conceptual art strove to negate the commodity status of art but failed. . . . Yet the idea that the political economy of conceptual art sought to eliminate the commodity status of the art object, while highly provocative, is mythical. To be sure, artists and dealers had to grapple with the problem of how a collector would be able to purchase and possess a work in the early history of conceptualism, but there was never a moment in which they did not seek to market the art."

—ALEXANDER ALBERRO, *CONCEPTUAL ART: A CRITICAL ANTHOLOGY*

THE ART WORLD, LIKE THE REAL WORLD, IS SUBJECT TO periodic gales of "creative destruction," defined by the Austrian economist Joseph Schumpeter as "the essential fact about capitalism." Schumpeter himself adapted the notion from the work of capitalism's sworn enemy, Karl Marx. Schumpeter softened Marx's devastating analysis that capitalism must ceaselessly destroy existing wealth through war, dereliction, or cyclical economic crises to create a popular theory of economic innovation and the business cycle, but even he argued that the creative/destructive forces unleashed by capitalism would eventually lead to its demise as a system.[1]

By the second half of the century Mark Lombardi was born into, the art world he aspired to enter seemed to be on a parallel track, toward a literal interpretation of Karl Marx. After centuries in which representational painting had been the norm, Impressionism, Cubism, Fauvism, Surrealism, Expressionism, and Abstract Expressionism destroyed each other's fashion currency in rapid succession. The phenomenon even drew the attention of a deranged but poetic congressman from Missouri who in 1957 denounced Modernism on the

floor of the House of Representatives as part of a worldwide communist conspiracy to weaken American resolve: “Cubism aims to destroy by designed disorder,” fulminated Representative George Dondero, who went on to win the International Fine Arts Councils Gold Medal of Honor for service to the arts. “Futurism aims to destroy by the machine myth. . . . Dadaism aims to destroy by ridicule. Expressionism aims to destroy by aping the primitive and insane. Abstractionism aims to destroy by the creation of brainstorms [*sic*]. . . . Surrealism aims to destroy by the denial of reason.”[2]

The narrowing search for the newest visual sensation did, however, lead painters into a cul-de-sac. Abstract Expressionists, the American post–World War II painters who put American art on the international map with New York City at its center, muttered darkly, usually through rising levels of alcohol, that painting itself was dead, and turned the force of creative destruction onto their own lives. Perhaps their peculiarly self-destructive bent was a product of confusion: not only were the for the most part leftist painters damned as communists, they were hailed by America’s critical establishment and even by the CIA as the voice of America, freedom, and free enterprise, of the “true expression of the national will.” Perhaps it was peculiarly American as well. Jackson Pollock, the iconic representative of the group, was “*the* great American painter,” as defined by fellow artist Budd Hopkins: “If you conceive of such a person, first of all, he had to be a real American, not a transplanted European. And he should have the big macho American virtues—he should be rough-and-tumble American—taciturn, ideally—and if he is a cowboy, so much the better. Certainly not an Easterner, not someone who went to Harvard. He shouldn’t be influenced by the Europeans so much as he should be influenced by our own—the Mexicans and the American Indians and so on. He should come out of the native soil, not out of Picasso and Matisse. And he should be allowed the great American vice, the Hemingway vice, of being a drunk.”[3] In many ways, the description fits Mark Lombardi’s teacher and mentor, James Harithas, who was a

young Abstract Expressionist painter in the 1950s, as much as it fit Mark himself.

Mark Rothko (in whose commemorative chapel in Houston an unknown artist named Mark Lombardi celebrated his 1980 marriage to Day Barlow) slashed his veins and bled to death on his studio floor. Arshile Gorky, haunted by memories of the Armenian genocide, hanged himself. Jackson Pollock died in a drunken joyride that also took the life of 25-year-old Edith Metzger even as she stood up in the speeding car and begged him to let her out. Sculptor David Smith also died in a car crash. Franz Kline drank himself to death. Instances of spousal murder and spousal abuse like the mysterious death of Ana Mendieta, the artist-wife of sculptor Carl Andre, were also unusually common in the circle of artists that held court at the Cedar Tavern in Greenwich Village in the 1950s, in the company of writers like Norman Mailer, who achieved quite another kind of fame in 1960 when he stabbed his wife Adele in the heart.

Paint, sex, and violence were elements of Abstract Expressionist style, a viscous, sensual, "spontaneous" use of paint (like Pollock's famous action painting, which involved laying a huge canvas on the ground and dripping paint all over it in splurges one critic described as "melted Picasso").[4] Though meant to explore the Freudian depths of the unconscious, it was a peculiarly masculine school. "'The Cedar was so male,' remembered [female] Abstract Expressionist Carolee Schneemann. 'It was so sacrosanct in that way, even with the implicit kind of male violence, or male importance. Everything was charged with the dominance of the male lair—it was like going into their cave, their hangout where they were what you focused on, and if you were pretty enough and sexy enough they might bestow a little bit of their regal eye or a beer.'"[5]

A HALF-CENTURY LATER, Mark Lombardi remarked to his friend Andy Feehan that he could put the truth up on a wall for everyone to see and no one would "give much of a shit," because it was "only" art.[6] The Abstract

Expressionists, whom he admired greatly, were the exceptions to that rule. Perversely, many members of the art elite in 1950s America considered the CIA better critics than the critical establishment, because the agency took Modernism's power seriously, albeit for propaganda purposes.[7] Soviet-inspired American painting in the 1930s had been dominated by Social Realism, a Soviet-inspired school of protest that found fertile soil in the America of the Great Depression. Even Nelson Rockefeller commissioned works from the great leftist muralists David Siqueiros—in whose atelier Pollock studied—and Diego Rivera, whose commission, alas, Rockefeller abruptly terminated when the artist refused to remove a portrait of Lenin from the walls of Rockefeller Center. When the McCarthy era came in with the George Donderos of the world riding its coattails, the elite of the American art world went to the CIA for help in preventing them from reinforcing the impression in Europe that America was a cultural wasteland. The CIA began financing and promoting Abstract Expressionists through its International Organizations Division, through its longstanding liaisons with the Museum of Modern Art (nicknamed "Mommy's Museum" by Nelson Rockefeller for its founder, Abby Aldrich Rockefeller, who believed with some justification that patronage would silence the more discordant tones of left-wing artists), the Whitney Museum, and private venture capitalists such as William H. Jackson, a polo-playing friend of MoMA trustee Jock Whitney's who also happened to be deputy director of the CIA. Tom Braden, founding chief of the International Organizations Division, became an executive secretary of the Museum of Modern Art. As we shall see, in an odd nod to the Cold War, the MoMA and the Whitney both acquired large holdings of Lombardi's work shortly after his death.[8] Because abstraction was non-figurative, the agency believed it to be apolitical and therefore safe, with a message that could only be perceived by insiders (an idea that Lombardi apparently appropriated). And perhaps it perceived an opportunity for profit too, in breaking the dominance of the European art market. Its belief in Abstract Expressionism was a

passionate one that may have had as much to do with the CIA's affinity toward the two-fisted, hard-drinking Hemingway cowboy culture cultivated by the group as it had to do with what they put on canvas.

In the 1960s, the lair of the Abstract Expressionists was invaded by Andy Warhol and Roy Lichtenstein. The slick, flat surfaces and hard edges of Pop Art replaced the viscous drips of the unconscious just as the bright lights of Max's Kansas City replaced the masculine recesses of the Cedar Tavern. Painting, declared Mark's surrogate father figure Jim Harithas, was dead, killed by Madison Avenue and a culture that no longer made things but consumed them. The worst was yet to come.[9]

In 1964, artist Sol LeWitt defined a new movement, Conceptual Art, as art in which the idea or "concept" is the most important part of the work, the "machine that makes the art," and execution a secondary if not an entirely perfunctory affair. Conceptual Art did away with the messy, "centered, intentional 'I'" that had been for aeons the source and guarantee of artistic meaning[10]—and the voice of the Abstract Expressionists' roar. By adopting an external, predetermined "program" (very much resembling a computer program) and eliminating the "arbitrary, capricious, and subjective as much as possible,"[11] artists like LeWitt, Lawrence Weiner, Douglas Huebler, and Joseph Kosuth disrupted the "conventional idealization of artist as that person who, on basis of a craftsmanlike maintenance of traditional skills, emblematized the unity of psyche, society, and culture based on the synthesis of physical, mental, and spiritual work."[12] Instead of a Hemingwayesque, in-the-moment reporter of the visual, the artist became an academic who, by documenting the mental labor of his own artistic development, validated the final design, or thesis. Moreover, he (or she) was expected to behave like any other young professional, not like a shaggy, shagging, shambolic old bohemian.

Though it claimed an elaborate genealogy with roots in the Dada and Fluxus movements, in the inimitable anarchism of Marcel Duchamp and George Grosz, the problem with Conceptual Art was, as LeWitt himself

observed, that anyone could make it using an exact set of instructions. If anyone could make it, then it destroyed its own store of value as art, i.e., its uniqueness.

Perhaps to compensate for this dilution of the art brand, a new breed of entrepreneurial dealers, in collaboration with their artists, began creating unique value out of public relations. Joseph Kosuth, on whom Mark Lombardi modeled himself in his aspirations to writerly as well as visual expression, was a shrewd self-promoter who astutely recognized that "advance information"—i.e., publicity conveyed through media reputation, name recognition, public persona—could supplant information previously conveyed through criticism. In other words, the artist's "story" was about to become an essential part of his art.

Undoubtedly attractive to the fame-hungry young Lombardi, Kosuth achieved stardom in his early 20s, partly due to his own ferocious ambition and appetite for hard work. The full reach of his ambitions, however, was only achieved through a McLuhanesque collaboration with his dealer, the maverick "um, entrepreneur" (the description is Kosuth's) Seth Siegelaub.

Barely older than Kosuth when he opened his own gallery in New York in 1964 at age 23, Siegelaub was adept in the manipulation and control of publicity through the new mass media and communications technologies.[13] Perhaps even more of a PR agent than he was an art dealer, Siegelaub gave the Conceptual sense of "program" an added Madison Avenue spin: "We specialize in the development and organization of public relations programs involving the arts. The art program is the medium through which you tell your story to the community. . . . [It is] designed to give you maximum return on your public relations dollar."[14]

It is no coincidence that Conceptual Art emerged along with a stock market bubble. At the same time that financial speculation became accessible to everyone through such vehicles as Bernie Cornfeld's Investors Overseas Service—the subject of one of Mark Lombardi's later

drawings—it permeated every facet of the art market.[15] *Newsweek* observed how the artist had become a supplier of commodities in the exchange of fashionable goods.[16] A new species of investors, and not a few savvy collectors, discovered that contemporary art, which could be purchased at bargain prices because of its obscurity, had enormous potential for profit. In fact, the more obscure, the better: The new investors who made their money trading increasingly arcane financial instruments were comfortable wearing the Emperor's New Clothes. As Alexander Alberro puts it in his history of the Conceptual Art movement: "Experimental art was hip, and because of its inherently tenuous character, the contemporary art world provided a space for the ambitious newly rich to locate themselves on the social ladder."[17]

Unlike the *nouveaux riches* of the Gilded Age and the Roaring Twenties, who were happy to advance their social education through acquiring the tastes and traditions of European art, this new market had no patience with the past. It was made up for the most part of newly affluent, highly trained technocrats. They were comfortable with the language of advertising, and of information, with the image of the artist as a young professional rather than a bohemian.[18] The art world accommodated itself to their needs, in an increasingly symbiotic relationship which foreshadowed the Internet age in which Mark Lombardi was to become a star: "Many in the multinational corporate world of the 1960s imagined ambitious art not as an enemy to be undermined or a threat to consumer culture but as a symbolic ally. . . . Providing services and manipulating information became the heart of this new economic paradigm . . . termed 'informatization.' . . . The emergence of Conceptual Art is closely related to this new moment in advanced capitalism."[19]

The decline of the stock market by the late 1960s put a temporary damper on Conceptual Art along with the Madison Avenue–inspired Pop Art movement of which it was then a subset. But Conceptualism remained uniquely adapted to the evolution of the information age,

where, as we shall see, Lombardi is living a busy afterlife. Its doctrines were to prove fatally attractive to the young artist with a deficiency in execution skills, a tendency to overcompensate verbally, and perhaps an already fragile sense of "I."

MARK LOMBARDI ENTERED college in 1969 and burned two years, failing, drifting, and struggling to find himself. His first choice, perhaps a nod to his childish desire to become a priest, was St. Anselm's, a small religious college, close to home, which was otherwise distinguished by its proximity to good skiing. Either the skiing was too good, or his vocation too weak, because he flunked out. He came home to the ultimate humiliation. Don Lombardi, not pleased to see his bad penny return, put a broom in his firstborn's hands and told him he would have to sweep the shop floor to pay his own way unless he went back to school and passed. The aversion therapy worked. Mark repeated and passed his freshman year at Eisenhower, another local college, and then transferred to Syracuse University in September 1971.[20]

Mark had two immediately compelling reasons to attend Syracuse. One was the strength of its art history program. The other was avoiding the Vietnam draft. Richard Nixon had won the 1968 presidential election by promising to end the Vietnam War, but in November 1969 Seymour Hersh, an independent investigative journalist at the time, exposed the killings of over a hundred Vietnamese civilians during a search-and-destroy mission which became known as the My Lai massacre. My Lai was the most infamous product of Operation Phoenix, a covert, CIA-trained counterterrorism program overseen by Ted Shackley, the new CIA station chief in Saigon who in turn answered to William Colby. Hersh's revelations led to a surge of public opposition to the war, and the first draft lottery since World War II ended deferments for many students and teachers a month later. When Nixon went back on his campaign promises and ratified the invasion of Cambodia the following spring, he set the stage for another massacre, this time at an American university, Kent

State. On May 4, 1970, the National Guard killed four students, none older than 20, and seriously wounded nine others. The nation's high schools, colleges, and universities erupted in mass protests, over four million students went out on strike, and Mark Lombardi joined the SDS.[21]

Whether by luck or by planning, Mark Lombardi had landed in the right place, at exactly the right time. The Syracuse University art department, under the leadership of the new director of the Everson Museum, James Harithas, was a hotbed of both creative and political activity. Artists who are now well-known fixtures in the contemporary art pantheon, like Nam June Paik, Peter Campus, Frank Gillette, William Wegman, and Juan Downey, were either students at Syracuse or there on grants from the university's Synapse program, which supported Harithas' first-ever museum video exhibitions at the Everson by providing space and professional-quality post-production equipment to professional artists.[22] The Everson's video curator, David Ross, was a student activist who lost his graduate fellowship after a campus building burned down during Syracuse's protest rally against the Kent State student killings, in which Mark Lombardi also participated. During the rally, the geology building went up in flames, and an anonymous letter accused Ross of being one of the rally's organizers. Although it was discovered two years later that an electrical problem had caused the fire, this was a platinum credential to Jim Harithas, who hired Ross to be his assistant even after Ross insulted him—which according to Ross was the way to Harithas' heart.[23]

Several of Mark's classmates went on to become art stars. David Ross became director of the prestigious Boston Institute of Contemporary Art and of the Whitney Museum, where he acquired several Lombardi works during the artist's lifetime. Another Harithas protégé, Mark Lombardi's contemporary and archrival Paul Schimmel, became a celebrated if controversial curator at the Los Angeles Museum of Contemporary Art and gave his old friend and rival his first major break. But at the time,

says Ross—now distinguished chairman of the MFA program at New York's School of Visual Arts who switch-hits as the lead singer in a rock band called Red—they were all just "stoners," suffused with drugs, anger at the war, and a sense of anxiety and/or futility at how to make art matter.

The "chemistry' between Mark, Paul Schimmel, Harithas, and Ross involved a lot of real chemicals. Ross said, "We brought art and Quaaludes to Auburn" (the maximum-security state prison where Harithas and his young cohorts taught). Curatorial meetings with Harithas (at the Everson) involved dropping acid in Enfield Glen and coming up with an exhibition plan. "We came up with some great shows—obviously Yoko's show, Juan Downey, 'Art from Within' [a famous show of prisoner's art from Auburn that got taken to the National Portrait Gallery in Washington; evidently, the Quaaludes worked]."[24]

"Art was all about being real to Jim," Ross said. "He disregarded most writers and critics. You had to be real." It was "impossible . . . and dangerous" for the young male artists with whom he surrounded himself to live up to Harithas. "No one could drink or take as much drugs as he could. . . . He just had this enormous capacity and tolerance and strength to just keep going, to push it. That set an interesting example to us in all sorts of ways. If you wanna be real, you gotta be real. You can't fake being real. I think that impressed Mark, as much as it did the rest of us."

It was dangerous to be overly impressionable in Jim Harithas' aura, to fly too close to the sun. "Harithas," as his ex-students like to call him, might be the "ultimate outlier," as Ross put it, too much of a firebrand, too "unrelenting" for the art establishment to fully embrace; yet he is also, paradoxically, the ultimate insider, "incredibly plugged-in" in any number of ways. The quintessential anti-establishment establishment figure, Harithas grew up in a highly placed US military family who had him educated at the Swiss boarding school for the ruling class Institut Montana, where John Kerry also matriculated. He has artfully concealed this pedigree for most of his life, but one reason why he is so successful

at breaking the rules is that he knows them all by heart. He is married to one of the wealthiest women in Texas if not the world, the redoubtable artist, oil heiress, and cattle rancher Anne O'Connor Robinson, with whom he established the Art Car and Station Museum after, as we shall see, a highly publicized brawl occasioned his ouster as director of Houston's prestigious Contemporary Art Museum.[25] Perhaps his affinity for fistfights is a means of ducking any accusation that he is a "privileged taffy-ass kid" from old-line Maine.[26]

There is no shortage of rumor in the art world, and people like to imply that Harithas, who worked in army intelligence in 1950s Algeria, just might have had some advantageous connection to the CIA's International Organizations Division and its promotion of Abstract Expressionists after the war.[27] He is certainly never less than a wily and enduring player of the art game, and even his insistence on authenticity is —sometimes—another form of the Singlaubian "artist's story." Even those like David Ross or Paul Schimmel, who know the rules of Harithas' world very well, have trouble distinguishing his "ethos"—his true guiding beliefs or principles—from his "mythos"—his guiding beliefs or principles as transmitted through the myths surrounding him. To an impressionable young man like Mark Lombardi, with no background or experience, the distinction would prove bewildering.

Perhaps Harithas' peculiar genius in the art world, and the key to his survival, is his ability to surround the truth of his left-wing political beliefs with a bodyguard of capitalist business sense, not to mention his own ability to distinguish between them. His trademark *coups de théâtre* usually involve making money by outraging conservative trustees. He put the sleepy Everson on the map of the avant-garde by offering John Lennon, who was about to be deported by the US government, a job as a curator and then luring Lennon and Yoko Ono upstate from Leo Castelli's art-world navel by giving them the entire museum for a show. Eric Clapton and Ringo Starr showed up for the opening, among 8,000 other people. Though the trustees were apoplectic, the bookkeepers were

ecstatic: Harithas had quadrupled the museum's annual attendance with one show and wiped out the stagnant museum's deficit. During the same time frame, when the university was still raw from the Kent State demonstrations, he brought Angela Davis, David Dellinger, and the Berrigan brothers, fresh from jail, to speak at the Everson to standing-room-only crowds. He brought his museum staff weekly to the maximum-security prison at nearby Auburn, where they taught art to the inmates. The resulting show, "Art from Within," toured museums throughout the country, including the National Gallery of Art. During his previous stint at the dowager Corcoran Gallery of Art in Washington, he bumped up his numbers by offering rock bands and free food and drink to bring in the "freak community" as well as such lively exhibitions as the photography of his friend, Dennis Hopper (Harithas did not provide free drugs, though; people brought their own). Feeling that the museum should respond to the social chaos created by the Washington race riots in the late 1960s, he opened a food distribution center in one of the Corcoran's galleries and ramped up exhibitions by black artists. Despite his many tangles with the Corcoran board, he was hailed as a museum miracle worker, and the stakes were high for the ambitious young men with whom he liked to surround himself.

AT AGE 82, Harithas is still an *hombre*, a loaded pistol of a man as famous for his fondness for provocation (he once enraged the august critic Harold Rosenberg by supporting a Conceptual artist who advocated kidnapping Metropolitan Art Museum trustees and officials for "vandalism"—for removing an inscription sprayed by a visitor on Picasso's *Guernica*) as for his ability to make museums happen. He enjoys telling an interviewer about the time he showed up at one of the fancy dress benefits so beloved by wealthy Houstonians dressed as Fidel Castro; and—oh, yes—the one about how, when he met Joseph Beuys, the dean of Conceptual Art, at a dinner given in his honor at the Edinburgh Festival in 1970, his first impulse was to "pop this guy in the nose and get it over with," because

the anti-American Conceptual Art guru had the temerity to lecture him on the recent horror of Kent State. Beuys cleverly avoided getting his nose popped by engaging Harithas in a drawing contest, and the two exchanged drawings and became fast friends: In fact, the businessman in Harithas laments the destruction of Beuys' drawing in a flood at the Contemporary Art Museum in Texas because it was by then worth a tidy sum.[28]

Some of his former students and colleagues see Harithas as the Papa Hemingway of the postwar art world. He passionately believes in struggle as a prerequisite for the creation of art, if not art itself. That belief is evident in his constant search for "truly radical socially committed artists —people who are going to put their lives on the line."[29] To his credit, Harithas never hesitated to put his own life on the line. To acquire artwork for a conflict exhibition on Nicaragua, he once flew to Managua, where his military background was perhaps an asset in allowing him and video artist Juan Downey to penetrate government lines and meet with rebel artists under the aegis of poet and military commander Ernesto Cardenal.[30] In his 60s—perhaps to prove that he still could—he made more than 15 trips to El Salvador, Nicaragua, and Honduras in a broken-down truck to protest US policy by transporting antibiotics to remote towns and villages in the besieged areas.[31] It's not quite clear to people in the art world exactly why a highly respected museum director made these road trips, and mention of his CIA connections is sometimes made in discussing the ease with which he and his companions crossed military checkpoints manned by teenagers toting heavy weaponry. But the message to hungry young male artists was unmistakably clear: They had a high bar to jump over. In Houston, in his heyday, artists who vied for Jim Harithas' favor won it by engaging in fistfights.

In his museum management class at Syracuse in 1971, Harithas had two pugilistic young stars, Paul Schimmel and Mark Lombardi. He remembers Lombardi as introverted and withdrawn except when he was fighting with Schimmel. Harithas recalls fondly that the two of them, the only males in an all-girl class, used to go at it like young bulls, head-

butting for the attention of the surrounding females. “They really didn’t like each other,” he chuckles.

Mark Lombardi, accustomed to being the smartest boy in the room, had found a peer group but one in which he felt himself outclassed. Paul Schimmel, with whom he competed for girlfriends as well as for Harithas’ attention, remembers his rival as an “anxious person”: “Mark was one of those in-between people. A thinker and a writer as well as a curator. He was an artist but lived in an in-between space. Finding himself gave him a lot of angst. I was always very single-minded in my clarity of ambition.” Schimmel, one year younger than Lombardi, is a scion of privilege who had grown up in the embrace of great art and a well-stocked private library. His grandfather, Michael Schimmel, was Joseph Kennedy’s accountant: Schimmel Auditorium, at New York University, is named after him. Paul had the self-confidence of his social class and a strong ego to back up his determination to enter the art world. “Mark was just this guy from Syracuse,” said their close friend, artist Irvin Tepper,[32] with nothing to back his burning desire to become an artist but the desire itself.

As if the barriers of wealth, social class, and lack of academy painting skills weren’t enough to overcome in order to sit at Harithas’ feet, at the Everson, where Harithas held his real court in the company of the professional artists with whom Mark desperately desired to make contact, he had to compete with graduate students such as Ross, without any formal research training per se.

What Mark lacked in graduate training, however, he made up for by the strength of his political convictions. “He had ways of making himself known,” Ross said. “He was kind of a savant, really. . . .” He had a very strong personality, “powered by the “overwhelming anger that affected everybody, anger and anxiety in relationship to the war, in relationship to social change and the sense of powerlessness, the futility of so much that we wanted not to be futile. There was this desire that art could be meaningful, that one’s activity should have consequences—but how? Of

course, that was one of the reasons why hanging around with Jim Harithas was such a tonic, because Jim suffered no doubts on that level. . . . And if you were part of Jim's community, it was very therapeutic . . . to be with someone who was absolutely committed to what would, twenty-five years later, be called 'relational aesthetics.'" Relational aesthetics is an Internet-friendly term coined by French art critic Nicholas Bourriaud in 1996 to describe "a set of artistic practices which take as their theoretical and practical point of departure the whole of human relations and their social context, rather than an independent and private space."[33]

Mark, Ross said, was no more angry than anyone else. "I wouldn't say he was like the angry young man, you know, brooding. There was no foreshadowing that he was either going to do anything extraordinary or that he was going to kill himself. You didn't sense this was a dangerously unstable person. He seemed as rational, as smart, as funny, as cynical and connected as any of the rest of us. Yeah, I think he had a formidable intelligence, but he wasn't alone in that. People who hung around in Jim's circle were like that."[34]

Harithas is well-known for his genuine if sometimes mischievous willingness to open doors for all sorts of people. "Some go through the door. Others don't," Irv Tepper said. "But he opens the door."[35] When Harithas gave Paul Schimmel and Mark Lombardi their final class assignment in museum management, the former dropout sailed through.[36] Mark took as his topic the long-forgotten study of panorama painting, a once-popular form of large-scale historical landscape painting, akin to IMAX in terms of the late-18thand early-19th-century commercial art world and which became an epistemological basis for his later work.

"When Mark took [panorama painting] as his final assignment, he did such an extraordinary job on it that I thought, 'This kid can really research. He's really something,'" Harithas said. "Schimmel, who became this famous curator on the West Coast, couldn't even come close —as an academic, as a scholar . . . as a student." But as an artist, Jim Harithas did not find Mark Lombardi, age 21, at all interesting.

"He had talent, yeah, but I didn't really see it in his work. What I saw in Mark was promise and confusion. He hadn't really found himself and he was always desperately searching. My judgment at the time was that—he would start out with an idea based on the masters of abstract painting—Barnett Newman. I was a big fan of Barnett Newman so they heard a lot of Newman in the class. Then he would think too much. The result was a painting that was over-painted, really wasn't fully resolved in a lot of ways, was open-ended. He would muddy it up. Then, instead of going on to something else, he'd go back and finally ruin it. But as a person—as a person, Mark was very interesting. He was so bright, fun to be with and to talk to, very deep about a lot of things, very quick. He could 'conceptualize' [verbally] very well. He was a beginning artist when I first knew him. Later on, when he came to Houston, I thought, My God, this is an artist who is pushing on and trying to express himself. And this guy is really torturing himself in order to get something out of this that is really deep in him. I find that kind of struggle really interesting."

Mark had another attribute intensely interesting to his testosterone-charged circle at Syracuse, and that was his girlfriend, Karen Wallbridge, who attended Syracuse for a semester. They had known each other since childhood, literally growing up down the street from one another. Their parents went to the same country club. Karen's father was a well-to-do developer, but there the marriage material ended, in the Lombardi family view. Karen was "very pushy. Very boisterous, very loud," according to Mark's sisters Lisa and Laura. "She may have thought she was Mark's girlfriend, but she wasn't."[37] Nevertheless, friends say they dated off and on, from their student days in 1971 to at least 1979.[38]

When men talk about Karen Wallbridge, the atmosphere palpably changes. "She was a real beauty," Paul Schimmel said. "I mean . . . beautiful. Very down-to-earth." "A big, strong, perfect Texas woman," said Jim Harithas, who conflates all things good with Texas. "And very gracious, too." Even more than that, she was the ideal woman of the 1970s, sexually adventurous, open to any new experience, a wild child

with a touch of tragedy in her pigment—the kind of little girl who wanted to grow up to be Marilyn Monroe.

Wallbridge was an artist, though she was never to achieve anywhere near the level of her lover's visibility. She was to play an important part in Mark Lombardi's life—the role of muse, among others—but his family, curiously, does not acknowledge that they ever had a serious relationship, or even that she had the kind of physical presence that could have attracted him. His mother disapproved of her, as any mother concerned about her son's stability and, later, his marriage might. His sister Lisa, who knew Karen as a teenager in Syracuse, said she was not "conventionally beautiful" enough to attract her brother.[39] However, an unpublished play manuscript found among the artist's personal effects, on which he appears to have collaborated, refers repeatedly to a character pointedly named Karen as "beautiful girl," and strongly suggests that not only did her complicated later life inspire his work, but that the "adulterous mistake," a child "delivered" to the doorstep of his marital home in Houston years later, was hers, if not his.[40]

Karen Wallbridge denies that she and Mark Lombardi ever had a romantic relationship but insists that they loved each other as friends. According to Harithas and Schimmel, Mark not only dated her but took her with him when he followed Harithas to Houston after graduation in 1974.[41] They both scoff at the idea that they were not romantically intertwined. "The relationship between them ran very deep," Harithas said. "They had a real connection. I really thought they were married whenever I saw them together." However, given the sexual freedoms of the times, Harithas and Schimmel have difficulties telling one girlfriend from another.

Mark and Karen did share a deep sense of anarchy, which Karen, more than he, acted out in her life. Where Mark was often cautious, even timid—"He was a real librarian kind of guy," his friend Irv Tepper said—Karen was the kind of person whose lack of boundaries, coupled with her intense sexual allure, often led to complete disaster. In the spirit of the

1970s, she never met a temptation she could resist. “I was a bad girl,” Wallbridge says today of her younger self. “Very bad. Lots of drinking, lots of drugs. Accidents in cars with boys.” In her late teens, her parents sent her to a Catholic girls’ school out of harm’s way. She negotiated her way out within a year and went happily back on the road to perdition. Her emotional instability was part of her appeal. She was trouble with a capital T, and Mark often liked troubled relationships with girls—perhaps because they inevitably ended. Her boisterous charm hid a core of isolation, much like Mark’s. Her moods were volatile, often stormy. Like him, she became an alcoholic later in life. When they could not resolve their relationship, the couple would become known for their raw, public, sometimes violent fights. To Harithas, his relationship with Karen was just part of Mark’s larger struggle with himself—and equally part of what made his young protégé so personally interesting to him. “He was so distressed with himself during that period. He was fragmented, suffering, and confused. He hadn’t found himself. He couldn’t have a relationship with anyone. That kind of struggle always interests me. Talent isn’t enough. You have to fight to break through. He had to develop a grid for himself, to get the kind of order he couldn’t get from her.”[42]

Karen Wallbridge was to disappear in the late 1980s, but her troubles would continue to haunt Mark, and to inspire his work. Even as he made his way into the stratosphere of the rich, famous, and politically powerful, she would become his badge of “authenticity” in a way that would turn out to be all too real.

TO SAY THAT Jim Harithas was a mentor may be misleading. Harithas’ brilliant success at the Everson made him the miracle worker of the museum world. He was a busy man, turning out two or three shows a month at the Everson as well as teaching art at the maximum-security prison at Auburn. Even he says he barely knew his students, which made them compete furiously for his attention at all times, Ross said. “Jim . . . liked to pick ponies and have them jockey for his attention,” Schimmel

said. To Ross, the focus of the competition was "to be the strongest, toughest, most radical guy in the room," to live up to the near-legendary figures of the New Left whom Harithas was bringing to the Everson: "We were all focused on Jim as the father figure. . . . Jim was the paterfamilias, and yet he would constantly be breaking down, being self-destructive, and we would have to circle round him and be protective of him." All a rather confusing message for someone like Mark who was "just a guy from Syracuse," desperate to break into the world that Harithas represented, and with perhaps a weak sense of himself underneath his bravado. It was around this time, his sister Lisa says, that she had the conversation with Mark that so disturbed her, when her older brother announced his admiration for those who died young.

Harithas may not have been impressed with Mark's future as an artist, but his SDS affiliation was a distinct advantage in attracting his attention. "We got along politically," Harithas recalls. "I was left. Mark was left. Syracuse was left. Syracuse is where the Berrigan brothers came from. It's a very Catholic town. It had a very strong Catholic left. The Berrigan brothers were really representative"[43]—though not on the Lombardis' side of Tipperary Hill. Mark's political credentials burnished his seemingly endless capacity for research, an eagerness to bury himself in work that Harithas suspected resulted from a need to escape other, emotional problems. Harithas was so pleased with Mark's work on the panorama project that he promoted him to the professional circle at the Everson Museum to research a show on the history of corruption in the executive office entitled "From Teapot Dome to Watergate." It was here, in his last college project, that Mark Lombardi began to find his "authenticity" and, for better or for worse, a way to impress Jim Harithas. Many years after Mark's death, Harithas, reminded of W. B. Yeats' famous poem "The Man and the Echo" ("Did that play of mine send out / Certain men the English shot?"), shakes his head seriously and sighs. "I always felt responsible for Mark."

"From Teapot Dome to Watergate," a much-lauded consciousness-

raising collaboration between the Everson and the Maxwell Graduate School for public policy at Syracuse University, gave Lombardi a license to explore the leitmotifs of his mature work for the first time. The 1973–74 exhibition at the Everson documented 50 years of quintessentially American government scandals bookending the oil bribery of the Harding era and the Watergate break-in by juxtaposing contemporary news photographs with works by politically conscious artists such as Thomas Hart Benton, George Grosz, Ben Shahn, Robert Vickery, Roy Lichtenstein, and Andy Warhol. The curators set out to explore the question of whether the ulcerating scandal of Watergate was "something new, something produced by the nature of the times, the nature of the men in office, or a culmination of political and governmental trends traceable to earlier periods in history." They focused on the illegal sales of publicly owned oil preserves known collectively as the Teapot Dome scandal that, 50 years prior to Watergate, had also left cabinet ministers facing criminal charges, key White House appointees resigning in disgrace, presidential aspirations in tatters, and voter confidence shattered by ugly stories of corporate juggernauts illegally influencing public policy.

"From Teapot Dome to Watergate," to its credit, raised many more questions than it could answer. The role played by oil-fueled campaign finance in the Watergate scandal was only one of them. They would resonate in the minds of the curious, particularly that of the young researcher, Mark Lombardi. Embedded in the thick loam of conspiracy theories surrounding Watergate was one that would surface many years after Mark Lombardi's death in the work of historians like Charles Rappleye[44] and Lamar Waldron[45]: that Nixon had engineered the Watergate break-in to conceal evidence of his own early involvement in the plots to kill Castro. There is no concrete evidence that Mark Lombardi was aware of this theory at the time that he was digging into Watergate research, but at the deep level at which artistic intuition operates there could certainly be no better way to impress, or even outdo,

Harithas than to hunt down the forces behind JFK's assassination—no test of manhood more arduous for a "library kind of guy" with a nervous disposition. It was a classic case of the 90-pound weakling kicking sand in the bully's face.

His characteristically intense research into the seamy underbelly of the US presidency only reinforced Mark's heightened, childhood sense of monsters lurking under the shiny surface of the American dream. The loss of his idol President Kennedy grew into disillusion and nihilism. The desire to smash all idols before they could betray him led him deep into a labyrinth where at the end he would discover that even his greatest heroes, JFK and the pope, had cloven feet.

3

THE BIG EASY

In 1973, as the Watergate scandal roared through Washington, Richard Helms, the venerated CIA director who had protected and promoted Shackley for twenty years, was fired by President Nixon and "banished" to the ambassador's mansion in Teheran. Teheran was not too shabby a substitute for Elba. It was considered the softest post in the CIA because of the sophisticated opulence of the lifestyle it afforded. It was also, along with Riyadh and Houston, one of the centers of oil intrigue, and Helms's embassy became the "CIA within the CIA" for the next four years.[1]

—JOSEPH TRENTO

MARK LOMBARDI GRADUATED FROM SYRACUSE IN 1974, two months before Richard Nixon's dramatic resignation over Watergate. The Vietnam War was winding down only to be replaced by a major conflict in another commodity-rich region of the world, the Middle East. The two major strains in American contemporary history intersected in Texas, where a parallel state was taking shape.

President Nixon had angered the powerful Texas oil constituency by attempting to negotiate away the oil depletion allowance they considered a birthright. Interestingly in terms of this story, John F. Kennedy had made the same mistake before being forcefully removed from office. Ultimately the president who would successfully terminate the precious privilege, Jimmy Carter, would lose his chance at a second term largely due to OPEC-related intelligence failures, first in evaluating the likelihood of the Iranian revolution, second in negotiating an end to the ensuing hostage crisis. Ironically—or not—the tainted campaign contribution that triggered much of the noise of Watergate was made by

an oilman, John King, an interlock fully drawn in Mark Lombardi's *IOS to Mid-1970.*[2]

As the Watergate investigations roared on, the shah of Iran—anointed as the West's energy ally in a 1953 joint US-British intelligence coup that punished Iran's popular prime minister, Mohammad Mosaddegh, for nationalizing Iran's oil by deposing him—outraged his Western supporters by launching an opportunistic oil embargo with the Arab members of OPEC, Egypt, Tunisia, and Syria to retaliate against the United States' decision to rearm an already nuclear Israel in the Yom Kippur War. The embargo created high oil prices, long-term disruptions in supply, and, ultimately, a devastating recession in a Western economy already vitiated by a series of bubbles followed by the stock market crash of 1973–74. Additionally, it created a rift in NATO, and between the United States and other allies who sought to dissociate themselves from US policy in the Middle East, where Arab oil producers had linked ending the embargo to a good-faith effort by the United States to negotiate an equitable peace. The Nixon administration had initiated urgent parallel negotiations with OPEC to end the embargo, and with Israel to arrange a pullback from the Sinai Peninsula and the Golan Heights after the Arabs withdrew from Israeli territory. OPEC agreed to lift the embargo in March 1974, but part of the price was an agreement to allow them to fix oil prices at a high rate by manipulating supply and demand.

What was very bad for the rest of the country, if not the rest of the world, was very good for Texas. Keeping oil prices high indefinitely was an industry goal the Bass, Murchison, and Hunt oil families—sometimes referred to as the "shadow government of Texas"—shared with the OPEC oil producers, notably the Saudis, who began moving into the fabulous River Oaks enclave in Houston where the Texas oil dynasties had built their Taras. As its business cratered in New York, Saks Fifth Avenue opened in Houston, with "fiddledeedees" from Bill Blass, Adolfo, and Oscar de la Renta, and the models in the ads for Sakowitz, Houston's venerated luxury department store, took on a decidedly Middle Eastern

cast.

The Texas-Saudi special relationship dated back to prorationing, or curtailments of domestic production of oil in the 1940s, when the government began telling the oilmen how much they could pump and for how many days a month in an effort to stave off perceived oil shortages. Texans grumbled that it was more lucrative for a Texas oilman with the knowhow to produce some sheikh's oil rather than his own, and forthwith moved operations to the Persian (or Arabian, depending on your host) Gulf. As Houston accelerated the process, already in motion, of becoming the hub of the global oil industry, all the world's oil companies would eventually come to Houston to connect with each other as well as with the massive refineries in Texas and Louisiana. Although there was "little positive to be said for a situation in which the United States is being blackmailed by both the Arabs and the teamsters," the *Texas Monthly*, a brand-new glossy publication launched on the steam of the 1970s oil price bubble, pointed out that, on the bright side, "higher prices for petroleum and oil are coming, they're going to hurt, and they will help to curb consumption and to encourage exploration."[3] Across America, people were miserable and angry as the high price of oil drove up other commodities such as food, but Houston was one megalithic construction site. Jobs and money ran freely as the oil that was to be pumped at "inevitable," vastly inflated prices for the rest of the decade.

Texas still had to fight its reputation as a backwater. In 1974, Tom Johnson (a former aide to Lyndon, no relation) had arrived to take over the executive editorship of the *Dallas Times Herald* with—despite his lack of previous editorial experience—a brief to redeem it from its staid conservatism by opening up the portals of diversity. (After his stint in Texas, Johnson took over as publisher of the *LA Times*.) The *Texas Monthly* started up in 1973 on the premise that Texans "were ready for a new brand of journalism that was not committed to any particular philosophy, ideology or personality but that was determined to inform and entertain its readers with intelligent, *honest* writing and first-class

graphics."[4] A letter from George H. W. Bush, chairman of the Republican National Committee, congratulated it for "a certain zest and a certain flavor which make it very readable." It hawked John Connally's authorized biography just as his law firm, Vinson, Elkins, Searle, Connally and Smith, opened an office at 1701 Pennsylvania Avenue, one block from the White House, where Connally had until recently been ensconced as secretary of the treasury.

In 1975, with tongue only half in cheek, the *Texas Monthly* modestly proposed that Texas wash its hands of the mess that the rest of the country had become and declare itself the Republic of Texas, the fifth-largest petroleum producer in the world. Failing that, the *Monthly* suggested that instead of leaving the Union, Texas should take it over.[5] Plans were afoot to gerrymander the state to increase its footprint in the Capitol from two to 10 US senators.[6] If they didn't get what they wanted, the *Monthly* opined they should join OPEC.

There were some in New York who celebrated the dawning of a new golden age for Texas. In 1974 the legendary Joe Thomas of Lehman Brothers, one of the first important New York investment houses to do serious amounts of business in Texas, raised $176 million for Halliburton by talking its notoriously reticent executives into going public. Thomas, a Texan raised in Odessa and Bowie and known for launching more major US corporations than any other investment banker of his time, advised ambitious young men in his home state to stay home: "It's the twilight of the gods up here as far as making money is concerned."[7]

The banking business was booming in Houston, thanks to the Bank Holding Act of 1970 that enabled banks to form holding companies that could own other banks. The giant holding companies thus conceived could be used to absorb floods of cash from the flush oil companies who invested in them. Real estate, commercial and residential, boomed along with the banks. The Houston skyline, like the Dallas skyline, was being built by a competition for empire between Texas banks that were in a unique position to take advantage of the Bank Holding Act. But it still

had its reputation as a backwater to overcome, and so the same competition conspired to take the crown of the art world away from Manhattan.

THE GREAT, BIG, fermenting bubble of oil wealth sucked an ingathering of artists down from the cold, bleak canyons of a bankrupt city to Houston's sunny clime. The fabulous Manhattan of the Cedar Tavern had given way to the starless hell of *Midnight Cowboy*, but way down south there was a virgin market of newly—and not so newly—wealthy Houstonians who were turning from buying condos in Florida to socking their money into art. The naïf—and not so naïf—of the New York art world, rather like Jon Voight's enterprising gigolo in reverse, piled themselves onto buses and into dilapidated cars and made the pilgrimage south to offer themselves. Jim Harithas was their Pied Piper, and Mark Lombardi and Mark's friend and rival Paul Schimmel were among them.

Harithas moved to Houston in 1974 with a double mandate: to take over the directorship of its failing Contemporary Art Museum and—banking on his famous ability to manufacture a pulsating sense of the right place at the right time—to create a contemporary art scene where none had previously existed. Fresh from his triumphs at the Everson, he was considered one of the hottest avant-garde museum talents in the country. Many if not most of his museum friends had warned him that Houston would be a career graveyard, but Harithas was 41 and a father of three. Moreover, he had the Texas-size ego necessary for the job, a "swaggering, flamboyant museum director for a swaggering, flamboyant city."[8]

He would need it. He was coming to take over the directorship of Houston's Contemporary Art Museum, born in 1948 out of the uncomfortable embrace of a young, aggressive, culturally unsophisticated but essentially conservative city which was trying to get its arms around the avant-garde. Houston's moneyed class felt that it should have a contemporary art museum to be considered culturally of age (and to

provide yet another occasion for the Court of Versailles-like *bals masqués* of which it was so fond), but it didn't particularly like contemporary art. Harithas arrived on the heels of an exhibition that laid a $48,000 egg and forced the resignation of his predecessor, Sebastian "Lefty" Adler. Perhaps overly eager to justify himself in the eyes of CAMH's board, which had raised $300,000 in donations for a fancy new building, Adler commissioned 10 primarily Conceptual artists to showcase new ideas in the visual arts. Among them, Newton Harrison's portable farm (which featured upright pastures and horizontal-growing plants), and Ellen Van Fleet's Malthusian *New York City Animal Levels*, in which she stacked cages housing live denizens of city walls including roaches, mice, rats, kittens, and pigeons, occasioned such outrage that one critic titled his review "Hang Ten," a reference to the 10 artists in the show. In an act intended to personify the museum as benevolent patron, Adler had commissioned these pieces as uniquely CAMH's own, so specific to the gala opening of the new edifice that they were to be destroyed at the show's closing and never to be repeated anywhere. That would have been difficult in any event as the exhibition destroyed itself, to the stench of rotting plants and animal feces. The board, comprising for the most part art laymen recruited from the banking business to provide financial credibility, questioned its amateur quality along with its expense. Meredith Long, for whom Mark Lombardi was to work as a curator and who served on both the boards of CAMH and the Houston Museum of Fine Art, stated candidly that he had no use for the avant-garde. Adler departed to become director of the La Jolla Museum of Contemporary Art in California, and Harithas swept in. Upon his hiring, Harithas announced with the sang-froid that was to endear him to his new home: "I'm not competing with what's happening throughout the country. The rest of the country is competing with me."[9]

In much the same left-leaning spirit with which he introduced food banks to the Corcoran and Angela Davis to the Everson, Harithas turned over a new leaf at CAMH by dedicating it to "art by Texas artists,"

irreproachably representing the full ethnic diversity of the state. The Maine native had, declared the *Houston Press*, the "outsize gall" to overcome any accusations of carpetbagging by telling Texans what it meant to be Texan, and that it didn't appreciate its own artists enough. From the bookkeepers' point of view, little-known Texas artists who were cheap to mount were definitely a plus. But, although his initial shows were criticized for being uneven, Harithas' sharp eye detected the gems on the "art by Texas artists" heap. Louis Jimenez, James Surls, John Alexander, Dick Wray, Jesse Lott, Earl Staley, and Terry Allen quickly established names for themselves, and several were given solo shows. In February of 1976, Harithas would give one of his students, a promising but unknown young artist recently graduated from the University of Houston, a break by showing him in CAMH's basement. Mark Lombardi curated the show, the debut of Julian Schnabel, who at the time was working as a cook.

To already-established artists like Mel Chin who followed Harithas to Texas, his latest homage to a working-class art museum vernacular made no difference. But to the ambitious young men who had followed him from Syracuse in a procession of cars packed with meager possessions and girlfriends, it not only meant jostling for a place in line yet again, but starting from second place. To the faithful, seeing Julian Schnabel ascending over their heads must have been a galling experience. To Mark, so hungry for Harithas to recognize him, it must have been excruciating. Michael Hollis, who did his installing, said, "Julian was such a pain, we had to give him a show."[10]

Mark Lombardi and another, steadier college girlfriend, Sharon Young, had made the trek from Syracuse to Houston in Mark's ramshackle Alfa Romeo on the promise of work. Curiously, Jim Harithas said he had not made any definite job offer to Mark or to Paul Schimmel, but Hollis, a Houston artist who worked as an art installer at CAMH and became one of Mark's closest friends, has a very different recollection. "As soon as Jim Harithas became director, he asked Mark down here to

be his curator. Mark was a big deal. All the big shows Harithas put on—Mark was instrumental. Paul Schimmel, who was this spoilt rich kid, was hired to be Mark's assistant."[11]

Hollis met Mark Lombardi when Harithas asked him to put up his new curator and his girlfriend until they could find a place of their own. Mark and Sharon rolled up to the door of the big old Victorian "hippie house" Hollis was living in with a coven of friends in Mark's little Italian sports car. Hollis has a vivid recollection of Sharon Young. "She was really pretty," he said. But that, as it transpired, was not enough.

Houston's artists and art students flew to CAMH's happening-openings like moths to a flame. "Harithas would give shows to just about anyone who would piss off the establishment," Hollis said. "He liked to show people who were outcasts, outsiders. Like Junior. Junior was a homeless guy who made folk art out of cigarette packages. Mark and I had to buy him a $30 polyester leisure suit to wear to his own opening." They were wild parties: Fistfights were de rigueur as were mood-enhancing substances and the ritual exchange of girlfriends and spouses.[12] For a while, Mark dated Paul Schimmel's future wife, Yvonne Rosenberg. Sharon was wildly jealous, and had every reason to be: The sexual merry-go-round was so dizzying that Harithas and Paul Schimmel had her confused with Karen Wallbridge.

Wallbridge followed Mark down to Houston, based, she said, on Mark's desire to have her be a part of his life at CAMH.[13] Recently returned from a short stint studying art in Rome, she was looking for a chariot to which to hitch herself. The wild side of Houston suited her well. She found jobs for herself and Rosenberg, waitressing at a Houston steakhouse. "They both used to steal the crap out of stuff in the back," said Schimmel, who lived with Rosenberg from 1974 to 1978. "Houston was a wild town—very interesting but insane. There was no sense of right and wrong. My wife and I saw more insane things happening there—relationships, tragedies, deaths, fights. People would have relationships between and among friends. Mark was a very sensitive guy. I imagine he

had trouble coping."[14]

Houston, oiled by Big Money in sums that made Wall Street pea-green with envy, was the Big Easy Texas-style. (It was probably not by coincidence that Carlos Marcello, the crime family godfather who controlled the port of New Orleans, controlled the port of Houston as well.) Its morals, despite the popularity of churchgoing, were relaxed. "Anything could happen, and usually did," Schimmel said. An ex–football player and a female impersonator obtained a marriage license and were married by a Dallas minister who said of the unusual couple: "We marry souls, not bodies. They are married in the eyes of God and in the eyes of Texas." But heterosexuality was rampant, and potency a recommendation in both man and beast. "Jim [Harithas] was always very sexually potent," the *Houston Press* approvingly quoted his friend Andy Mann in a parallel assessment of the charismatic museum director's reputation as a ladies' man and of his reputation as a museum director. Men were ultimately judged on whether they were *hombre*, and dalliance was looked on as a sign of manhood.

The year 1974 may have been when *Civilisation* came to Houston, at least in the form of the 13-part Kenneth Clark television series, but it was still a cattleman's culture in which bull semen was as hot a commodity as oil. (For the curious, a consignment of 800 vials sold on the spot market for $17,000, a considerable sum at the time.) The *hombre* standard created some peculiar anomalies in the world of culture. The art world had to get out there and sell art, but it had no idea where its public was. That year, 1974, was the year of the Big Sell for the Houston Ballet. The ballet hired Young and Rubicam at enormous expense to target ballet-shy roughnecks with slogans like "You go to a game somewhere and it's nosh, nosh, nosh. Go to Houston Ballet at Jones Hall, and feast on culture!" and "How to look at some beautiful legs without upsetting your wife." The August cover issue of *Texas Monthly* was devoted to the coronation of the Texas redneck. In "Presenting the New American Hero: The Redneck," editor William Broyles circumspectly observed, "This

mixed heritage—with its ethics of hard work and friendship and its prejudices of race and ignorance—is the source of the social confusion in Texas today." But it was already spreading into American culture at large even before the television series *Dallas* made Texas a cultural beacon. That same year, Francis Ford Coppola's *The Conversation* was released, with its unavoidable references to Watergate, along with three other major Hollywood movies showcasing Texas culture: Terence Malick's *Badlands*, starring Texan Sissy Spacek; Steven Spielberg's *Sugarland Express*, set in a small town near Houston; and *Lovin' Molly*, adapted from Larry McMurtry's iconic Texas novel *Leaving Cheyenne* to the scorn of almost every critic in Texas.

The air was heavy and charged with violence, a violence that was itself culturally ennobled and had its own artistic allure. As *Texas Monthly* rather oddly put it: "Passionate Romantic energy mixed with poverty breeds—CRIME." Andy Mann, Jim Harithas' friend, worked as a police photographer to support his art habit and rode the night "in search of everything people want to see, so long as it's not happening to them." The police videos he made were a favored form of TV programming. Violence bubbled just under the surface and erupted on the least pretext. Two guys fighting over the honor of their mutual girlfriend "literally beat blood and shit out of each other."[15] The stew of race in the city offered even more opportunity for *casus belli*.

But Texas was also in the throes of discovering introspection. With the onrush of new money juxtaposed with turbulent times, people were ready to buy what they once would not allow to exist. Est, Transcendental Meditation, Mind Control, Eckism, Rolfing, Mark-Age, and Scientology were all gaining ground in a culture in which they still teased calves' tails into puffballs and set them with Dippity-do. Restaurants still vastly outnumbered cultural venues. And, of course, there were the bars. The Old Quarter, Prufrock's, Joseph's Wine Shop and Tasting Room, Innovation, La Bastille, Anderson Fair, Liberty Hall, the Athens Bar and Grill, Bavarian Gardens and Restaurant . . . the list goes on and on.

“There was nothing to do but go out to dinner,” Harithas observed. “And drink. Everyone drank like fish. Mark started drinking down here, big-time.”[16] If you wanted to stay up and talk all night, you could go to La Bodega in Montrose, or Sambo’s, which had the great advantage of being cheap. If you wanted to hook up with Harithas, you could wiggle your way into Mr. Gino’s, the legendary downtown Houston blues club where he entertained his friends, interested journalists, and hot exhibition prospects like Norman Bluhm and Hermann Nitsch. Mark dressed up in thrift-shop Armani (easily found in Houston) and haunted every conceivable museum and gallery opening in the company of friends like Don LoCalio, a fellow artist and expatriate New Yorker. But the consolations of the nascent art scene had their dangers. “Mark was a handsome man, and a good talker,” LoCalio, his partner in crime, observed. “He did very well with the ladies.”[17]

Lombardi’s public fights with Sharon Young are legendary in the Houston art world. “They were out in the open,” Harithas said. “Physical. Raw. He hit her. One woman said to me, ‘If he did that to me, I’d shoot him.’ It was jealousy. And drinking. When he got angry at her, he really got angry at her. Because she was getting hit on.” Paul Schimmel, Mark’s chief competition at CAMH, made no secret of his attraction to Sharon, or of Mark’s jealous insecurity.[18] The fights grew worse the more Mark drank—and he and Sharon were always going out to bars. “Mark couldn’t take drinking whisky,” Mike Hollis said. “Something in him really changed.”[19] In the best male Abstract Expressionist tradition, he used violence and infidelity to try to drive her away. “She was a little more loyal,” Harithas said. “She really loved him. But he was so distressed with himself during that period. He hadn’t found himself. He couldn’t have a relationship with anyone.”[20]

The émigré artists in search of their promised land had traded one money-trap for another. Even today, Harithas insists that Houston’s inner art loop is “very left,” which by definition means “very strongly anti-Bush.” He means people like the fabulously wealthy Jean and Dominique

(neé Schlumberger) de Menil, known for their progressive politics as well as for their private museum. He credits Dominique de Menil with changing the political atmosphere in Houston, but artists were still in the position of having to please a potential patron. The distaste of oil aristocrats for the parvenu Bushes, Harithas said, was something Mark Lombardi couldn't fail to sense. The de Menils were friends of Democratic House Representative Sissy Farenthold, who expended a great deal of her political energy in combating the Bush machine. They would eventually introduce Mark Lombardi to her. "The Bushes were a family he could get hold of," Harithas said. "They had a very disreputable record in many ways." Prescott Bush's Nazi banking, Jeb and Neil Bush's involvements with World Finance Corporation and the failed Denver thrift Silverado, and the Bush family's oil dealings, particularly George W.'s Harken Energy, all became subjects of Lombardi drawings.

Outside of the coveted de Menil salons, which were chock-a-block with visiting artists, intellectuals, scientists, and civil-rights leaders, Houston, if anything, was even more bifurcated than Manhattan, the domination of money and its effect on those who didn't have it as bad as in New York City and in some respects worse. Houston foreshadowed the New York City of today, with its undiscovered artists reduced to cultural serfdom in the darkest jungles of the boroughs. The moneyed classes did not mingle with the proles, for the most part—except at openings, which provided ample opportunity for faux pas, particularly when accompanied by the ingestion of alcohol and other mood-altering substances. Among those artists who represented the cultural diversity Harithas was attempting to inculcate, the perception of ghettoization could be intense.[21] On the other hand, the rowdy atmosphere Harithas encouraged at openings sometimes aggravated the perception of those inside the tent that the vast majority of the population was best left outside. Nevertheless, they sometimes joined in. Even Harithas had his doubts. Keen to address the issue that the Houston art scene was developing into a boys' club of badly behaved boys, he organized an evening at CAMH to

discuss women's role in the arts. Harithas recalls: "One woman stood up and said, 'Look, no one's getting any interest here. Not women. Not men.' And I thought, 'Oh, this isn't going very far.'"

Mark was fired from CAMH in 1977. The experience devastated him. He would never discuss how the firing had occurred and if questioned would simply leave the room.[22] According to Harithas, he assigned Mark his classes to teach when he left for a two-week trip and fired him for failing to show up, an explanation that fit badly with his ambitious young curator's well-known reputation for obsessive self-discipline. "I had to fire him," said Harithas, who still looks troubled at the memory. "But we didn't lose our friendship."[23] According to Mark's ex-wife, Day Barlow, Mark never saw much of Harithas after that. Paul Schimmel, who took over Mark's job, said that Harithas fired Mark for behaving "inappropriately" with a board member or members, a remark he refused to explain beyond saying, "It felt like a big family at CAMH, but at the end of the day you were still an employee."[24] In Mark's papers I found a note by the artist saying that he had a run-in with an unidentified someone from George H. W. Bush's First International Bancshares who had effectively "blackballed" him from participating in the kind of large-scale art-projects he had been curating.[25]

The truth lies somewhere in the fabulous free-for-all that went down in Houston museum history as "the Famous Breadfight," a CAMH opening on October 28, 1977, that involved 60 members of the iconic Texas cheerleading team known as the Kilgore Rangerettes building a 200-foot wall of green, blue, and red bread loaves under the eyes of board members and their guests, who had been partaking freely of the evening's cheer. Concocted by Catalonian artist Antonio Miralda—famed for creating "theatrical celebrations" out of comestibles—the happening turned ugly when one of the guests, presumably inflamed by alcohol and/or the sight of the Rangerettes' signature red panties flashing as they split-kicked their way across the floor, tore a loaf out of the installation and lobbed it at the head of a woman guest. Members of the good-ole-

boys fraternity were heavily in attendance, and the happening turned into a gigantic food fight. A fistfight broke out, according to CAMH's own coyly nostalgic oral history of its wild and crazy days, when "two artists," incensed at the destruction of the work, sailed into the sea of unruly guests and socked a few of them. The fistfight escalated into a general melee that spilled out of the museum and onto the sidewalk of Houston's posh gallery district, where the police broke it up. The CAMH oral history, narrated by then–board chairman Marilyn Lubetkin, does not specify who the artists were, but one of them is alleged to have been Mark Lombardi. The other may have been Jim Harithas himself, much of whose mythos revolves around his readiness to pop someone in the nose: In fact, he told the author that his wife Ann was initially attracted to him after he sailed into a mêlée with the CAMH board.[26] It is easy to imagine Mark the young crusader, presented with a golden opportunity to burnish his *hombre* credentials, rushing to defend the exacting father-figure for whose favors he jockeyed daily. No one will comment, on the record or off, on whom Mark socked. Judging from the note he left behind, it may have been a Bush.

History does not relate if at least some of the more unruly board members were carted off to the calaboose, but Harithas was blamed for the culture of decadence that had allowed such a fiasco to besmirch a noble institution. The Kilgore Rangerettes and their high jinks were the final kick for Harithas' board, who despite their progressive veneer and taste for naughtiness were socially conservative business folk. The Houston art scene that was supposed to become the "blue-hot pulsating center of the universe" had spun out of control.[27]

Soon afterward, Harithas' young girlfriend Rita was killed in a car crash that brought to mind the death of Jackson Pollock's young girlfriend Edith. The anarchic spirit of the Harithas era at CAMH breathed its last. The board, under the direction of Lubetkin, proceeded to make life untenable for him by hiring an outside business manager to handle the museum's books. Harithas, who had argued with the board

over both finances and aesthetics, wrote a furious letter of resignation which, upon reflection, he decided to retract. The board accepted the letter regardless. Harithas was out of a job, and except for Mark Lombardi, the coterie that had followed him to Houston drifted north again.

CHRISTMAS OF 1977 was a bleak affair. Mark had been served with his walking papers immediately after the glorious disaster at CAMH and, having rallied with cape and sword to his mentor's side, felt deeply and justifiably betrayed. Although—in the way things often go down in Texas—Harithas, the insider's insider, was to preserve his relationship with Lubetkin, who today serves on his board at the Art Car Museum, Mark was shut outside the pearly gates. Cut off from the Houston art world and alienated from his family with whom he had maintained little contact since moving to Houston, Mark hit his lowest point.

His drinking, and his violence against Sharon, accelerated to a point that frightened even him. He sailed an LP at her head like a Frisbee, blacked her eye, and knocked out two of her teeth.[28] Wisely, she moved out on him and, not so wisely, in with a biker. Mark got a job at the downtown public library and found a tiny, shabby efficiency garage apartment on his own nearby. His new landlord, Ted Callaway, called it "The Bunkhouse."

Callaway, who became a midnight companion of the artist, said one of the people who bunked there with Mark for six or nine months was Karen Wallbridge. "She was wild," Callaway said. "A real party girl. . . . If Aleister Crowley was still around, she would have joined his little crowd. Back in those days, we used to go to the Shamrock Hilton Hotel. It was a pretty wild place. We would rent a poolside cabana for an entire evening. Karen wasn't shy, that's for sure. She was into having a real good time."[29]

When Wallbridge, who has been married twice (and was apparently a suspect in her first husband's mysterious death) and works as a "project

manager" for est, is asked today about her relationship with Mark Lombardi, she immediately starts to cry. "He was so good to me," she said. "He was a good person. He really liked me as a person. Whenever I was around, he wanted to be there. I moved to Houston because of Mark."[30] She may be telling the truth. Whether or not they had a sexual relationship is almost beside the point. "They had a deep understanding of each other, like married people," Harithas said. "I always thought they were together."[31] While the conventional needs of a college sweetheart—to marry, settle down, have children—were guaranteed to drive him round the bend in his unsettled state, Karen's chaotic nature was something Mark could not only understand but also something for which he felt a deep empathy. Like him, she did not fit anywhere. Her gypsy ways hid an underlying fragility. In the midst of the most riotous party, she was very much alone. She spoke to the disorder in his own soul, like the images of disabled children he collected. She was the part of him that couldn't find a voice, and would try to destroy the part that could. She was a piece of home, both good and bad. But, as self-destructive as he could sometimes be, Mark's intelligence pulled his balance toward survival. He willed himself to succeed while she, equally, willed herself to be abandoned. She was never to be a successful artist, and that, more than anything, would drive them apart. Love her in whatever way he might, he could never marry her. At the same time, he could never quite let her go.

IN 1979, MARK severed his relations with Karen Wallbridge for, he thought, the last time. The reason was another woman, Day Barlow, who promised to give him the stability he needed. Dismissed as a "Southern belle" by most of Mark's art-world peers, she was a hard-driving young advertising executive, fragile-looking in the ballerina mode that Mark fancied, but full of a wiry strength—wise, in a particularly Southern way, in dealing with ornery males, peppery, independent, and capable of averting her eyes from overly disruptive truths in the interests of getting

on with it. It was a skill that would prove useful in the course of their 16-year marriage.

Mark met Day in the office lobby of a start-up cultural news magazine. It was to be called *Bravo*, and he planned it as his ticket of admission back into the Harithas fold. He had given the magazine's founders an introduction to the fabulously wealthy Ann Harithas, Jim's new wife, to see if she would be interested in pledging the seed money (one of them, Donald Quaintance, has a vivid recollection of pitching his project to Mrs. Harithas, who gave audience, like Louis the Sun King, in bed.) Day was developing advertising for the embryonic publication. Mark was pitching his writing, a new music piece on Steve Reich and Philip Glass, to the editor-in-chief and start-up entrepreneur, a Houston-born journalist named Curtis Lang.[32]

"Curtis was a resident intellectual who ran with the art crowd," remembers Jim Hatchet, a fellow artist and longtime friend of Mark's. "His girlfriends were always artists." Lang had a reputation for arrogance, and for the thin skin that often goes with it, a dislike for being questioned that went along with being considered the smartest person in the room. Since this was a distinction usually awarded to Mark, their relationship had its ups and downs. They shared the unique ability to retain vast amounts of information in their heads, at the same time that they were able to party late into the night seemingly unimpaired.[33] Lang and Quaintance raised enough money to rent offices and contract writers including Mark, but the venture collapsed inside of two years without producing a single issue. The perception that Lang had managed to finance a profligate lifestyle out of his fundraising created considerable ill feeling in the Houston art scene for some time thereafter, particularly in Mark's wife-to-be, Day Barlow, who had dreamed of launching a new, cutting-edge arts publication. She was never to lose her animosity for Curtis Lang.[34]

Mark had one foot in and one foot out of Houston. His ignominious dismissal from his first big job at CAMH still rankled. He had yet to find

himself as an artist, and in the oscillations of self-doubt his conservative Catholic upbringing reproached him. Harithas had gone into self-imposed exile, in search of authenticity in Latin America's war zones. Irv Tepper, a young Harithas protégé at the time, went with him. "When you went with Jim to Central America, you went with someone who knew his way around war zones," Tepper said. "We were stopped 10, 11, 12 times every day, by people with no uniforms, just guns. Jim wanted to observe American foreign policy. All the government forces were trained at the School of the Americas. Lots of Israeli weaponry. You saw where American money was being spent. You didn't see any *New York Times* reporters there. It was our job, as artists."

Mark was not invited. "You would never see Mark on a trip like that," Tepper, who became a close if critical friend, observed. "Mark wasn't a tough guy. He was a smart guy. A nervous, timid, library kind of guy. The Chihuahua that barked and hid."[35]

Day's first impression of Mark was of "his very nice nose. His blue eyes. His mind. He was very intense. Maybe more intense than serious. He knew a lot about a lot of stuff." She found that attractive, being young and from a sheltered family. She remembers attending a symphony at age 13 as her first experience of going out in the world. Although she had studied art history at college, Mark's bohemian jungle was exotic and fascinating to her. He was an enthusiastic guide.[36]

Day ticked off every item on Mark's mental list of desirable female attributes. She was pretty, in a prettiest-girl-in-the-high-school-yearbook way that made other men envy what he had. "Day had these incredibly soft, incredibly full lips," mused Ted Callaway, the sybaritic real-estate entrepreneur grown rich on the boom who became Mark's landlord and friend. "Everybody hit on Day." Not only was she pretty, she was smart and serious, like him in fact. She was interested in, and sympathetic to, his endeavors. Moreover, she was practical. She promised to be steady, a check and balance to his Byronic enthusiasms and excesses except in alcohol, where she could match him round for round. Perhaps most

important in an artist's spouse, not only was she good at making money, she enjoyed making it as much as he enjoyed spending it, and she had the promise of more, through her well-to-do family. She was a go-getter, "used to her own applause," and didn't worry about financial instability. They were living in the best of all possible times, in the best of all possible places, for making money, and she would make the perfect mate. Even his family approved of her, particularly Shirley, who found her a "very gracious lady."[37] Their consensus was that he would be a fool to blow this one. After they had been seeing each other for a year, one morning as they were getting out of bed, he dropped down to one knee and proposed. Without thinking twice, she said, "Yes, I will."[38]

4

THE MELANCHOLY REBEL

If you're an insider, the one thing you don't do is criticize other insiders.

—**SISSY FARENTHOLD**

MARK AND DAY WERE MARRIED ON MARCH 22, 1980, IN THE Mark Rothko memorial chapel in Houston, an octagonal space on the grounds of the Menil Collection that encloses the viewer in floor-to-ceiling panels and vividly brings to life the artist's depressed state. The studiously eccentric choice struck some in the wedding party as bad luck: Rothko, after all, died a suicide. It was not quite the ides of March but close enough. Mark and Day wanted to be married on the first day of spring.

It was the day before Mark's birthday. Twenty years later, it would be the day he was found dead. By an eerie coincidence, it was also the day on which the subject of six of his major drawings, *The Pope's Banker*, Michele Sindona—whose financial services were shared by the Vatican, the Gambino crime family, and anti-communist covert enterprises worldwide—would, in 1986, meet his death in the form of a poisoned cup of prison coffee. The poisoned chalice was administered, says British journalist and Conservative MP Richard Cottrell, to prevent Sindona from spilling the beans on the anti-communist deep state, then known as Gladio, to the press.[1]

By another coincidence—curious because so much of the work that later gave Mark the fame he was looking for was to revolve around interlocking relationships between boards of directors—the board of

directors of the Rothko chapel foundation had just inducted a new member who was to exert great influence over his life. The indomitably chic and socially connected Frances "Sissy" Bluntzer Dougherty Farenthold was the antithesis of those conservative board members at CAMH who had blocked Mark's curatorial career. Dubbed the "melancholy rebel" for her early attempts to reform the Texas House of Representatives, she is even today the fairy godmother of Texas liberalism. Known for her behind-the-scenes political matchmaking prowess as well as a passing resemblance to Katherine Hepburn, she was to open doors for Mark Lombardi that led to his fame and also, possibly, to his death.

FARENTHOLD IS THE aristocratic scion of a dynasty rich in Confederate officers, landholders, and cattle and oil barons as well as lawyers like herself, a family which played a prominent role in settling the turbulent South Texas frontier. Her great-grandfather Nicholas Bluntzer served as Robert E. Lee's scout in brutal, pre–Civil War attacks on the equally brutal Comanches: her great-great-aunt Theresa was kidnapped by the Indians at the age of four only to return safe and sound a year later, decked out in native regalia and speaking the tongue of her captors.

Perhaps Aunt Theresa's experience shaped the family's schizoid attitude toward its colonialist roots and the privileges they conferred, a seam of conflict externalized in psychopathologies such as depression, alcoholism, drug addiction, and suicide for which, like the Kennedys, the family became noted along with its many achievements. Sissy's adored father, Benjamin Dudley Tarleton Jr. (whose own father, a pillar of the Texas State Legislature, had the University of Texas law library named after him), became a notorious Klan-baiting attorney who sank into deep depression following the death of Sissy's baby brother. Sissy herself is as celebrated for her anhedonia as for her elfin, dark-haired beauty: Her friend and fellow feminist Molly Ivins dubbed her the "melancholy rebel" because of her seeming inability to take pleasure from the many

privileges that life has bestowed upon her.

Though Sissy herself is revered as one of the state's most prominent feminists as well as its best-known liberal politician, her overt activism departed abruptly from her immediate female relatives, who played well within establishment lines: For her philanthropic activities her aunt Genevieve Tarleton Dougherty was accorded the Lady of the Grand Cross of the Holy Sepulcher by Pope Pius II. Farenthold herself was finished at Vassar, hardly a hotbed of radicalism. She graduated at age 20 to follow in her father's footsteps by taking a law degree from the University of Texas, but four years later in 1950 entered a marriage of state with another aristocrat, a Belgian industrialist educated at Switzerland's leading academy for the ruling class at Le Rosey and a distinguished US Army Air Forces officer who developed a lucrative oil business in Corpus Christi, Houston, and the Middle East after World War II.

The "furry-browed, bull-bodied" George Edward Farenthold impregnated his strong-minded young wife early and often.[2] In 1951, she bore a son, Dudley; in 1952, another son, George Jr.; in 1954, a daughter, Emilie; and, in 1956, twin boys, Vincent Bluntzer Tarleton and James "Jimmy" Robert Dougherty. There the conventional track ended. Vincent was born with hemophilia. One night in 1960, when he was not yet four, his parents went out to a soirée, leaving him and Jimmy, from whom he was inseparable, in the care of their teenaged half-brother, Randy. While Randy, who was himself to die violently at age 32, occupied himself downstairs with a girlfriend, Vincent got out of bed to get a glass of water, clambered up on a stool to get to the bathroom sink, and fell, cutting his head open against the tile. By the time the child was found, he had already bled out.

The shock of her baby's death, according to family legend, revived a childhood trauma: her own brother's death at age two after swallowing a quarter. It forced Sissy Farenthold to escape the black depression that had always blighted her family tree by a "crusade of diversion"[3] by which she resuscitated her legal career and, 12 years later, became the first woman

to represent the counties her forebears had settled in the Texas State Legislature. Her choice of therapy was to take a further toll on her family, particularly her remaining twin son Jimmy, who was already manifesting signs of emotional trouble. As the only female member of the Texas House, she now had to choose between the derision of her male colleagues if she short-shrifted her committee responsibilities to tend to problems at home, or face the consequences at home if she didn't. George was too occupied with the pipeline business to share child-rearing duties, and the marriage, naturally, became unmoored.

Sissy Farenthold entered the Texas Legislature in 1968, the same year the chameleonesque John Connally was preparing to leave the governor's mansion, allegedly to help Richard Nixon recruit a number of influential Texans from both parties to work for the Republican candidate. Connally, a Democrat who figures prominently in most Texan financial scandals of the era, would become Nixon's treasury secretary on the condition that Nixon secure the position of United Nations ambassador for George H. W. Bush.

Texas was nearing its 10th decade of conservative Democrat rule. A shift in power from nearly a century of close affiliation with the national liberal Democratic Party to one more aligned with powerful pro-business forces in Austin was engineered by Lyndon Johnson in the White House and John Connally in the governor's mansion. Most of the reins of Texas government fell into the grip of Johnson/Connally stalwarts. When Connally retired from state government, the baton passed to an almost identical coalition led by Governor Preston Smith, a theater owner from Lubbock. The party hacks fully anticipated that he would preside over yet another decade of conservative Democrat glory, led by Johnson and Connally's fair-haired boy—and, it was rumored, US president–in-waiting—Lieutenant Governor Ben Barnes, a 32-year-old lawyer backed by the all-powerful speaker of the House, Gus Mutscher. However, Barnes, Connally's business partner, also did business with Herman Beebe, a convicted felon and Mafia associate with many connections to

the intelligence community. Beebe was known as the "godfather of the dirty Texas S&Ls," and Barnes and Connally borrowed tens of millions of dollars from him. Beebe financed Palmer National Bank, the conduit for private donations to the Contras. Through his patron, Houston developer, banker, and power-broker Walter Mischer, Barnes was also allegedly connected to the powerful New Orleans crime family of Carlos Marcello, who controlled the ports of New Orleans and Houston and ruled over the Texas underworld).[4]

Enter Sissy Farenthold, the glamorously melancholy society rebel who, according to her legend, escaped becoming a "captive of grief" by throwing herself first at one challenge then another. The next challenge Farenthold chose to take on to free herself from her inner demons was to take down the Johnson/Connally/Barnes/Mutscher machine with its Gorgon's nest of allied business interests. It was one which political observers described as "suicide politics" and, in the vein of her family history, a far more glorious form of self-destruction than drugs or alcoholism.

In early March 1971, the dream of a new golden age for the conservative Democrats in Texas crumbled when Sissy Farenthold, in her Vassarette little black dress and pearls, her elegant hands trembling under her fellow legislators' fiercely hostile regard, introduced HCR 87, otherwise known to history as the Farenthold Resolution, calling for immediate consideration of a bill to investigate "matters that impugned the integrity of the House or of its members."[5] These matters arose in Texas politics on a regular basis: As Lone Star literary light Calvin Trillin drily remarked, "Normally, officeholders in a state like Texas have differed from eminent public servants in the federal government primarily in the way some social scientists claim that lower-class Americans differ from those Americans who have arrived at the middle class—an inability to defer reward. . . . In Texas, participatory democracy has meant that leading Democrats can participate in the most lucrative business deals."[6] Farenthold's resolution was occasioned by the Fort

Worth office of the Securities and Exchange Commission filing, two months earlier, a suit against promoter-banker Frank W. Sharp, a generous campaign donor to the conservative Democrats, and a long list of his friends and associates. The SEC complaint alleged that Sharp and Co. had effectively implemented a stock-manipulation scheme involving three banks, two insurance companies, and a computer firm all owned or controlled by Sharp, and that, further, he had arranged loans and stock purchase for Governor Smith, Gus Mutscher, House Appropriations chairman W. S. "Bill" Heatly, and two Mutscher aides in order to pass two banking bills that materially enhanced his endeavors. It drew the support of only 30 out of 150 members, a group that became known in Austin as the Dirty Thirty. The banking bills themselves were ultimately scotched after an uproar from the banking establishment that fortuitously coincided with Governor Smith's inauguration. Gus Mutscher was convicted of taking a bribe, but it was rumored that Barnes, and even Lyndon Johnson himself, had benefited from what became known as the Sharpstown scandal and the subject of one of Mark Lombardi's early drawings.

Women, as Harvey Katz observes in *Shadow on the Alamo*, are important in Texas but are expected to remain in their place, which is not considered to be on the floor of the Texas House of Representatives. In introducing her resolution, the petite and seemingly fragile Farenthold, who also stood alone in opposing a 1969 resolution commending the performance of former President Johnson, took on that attitude first and foremost: Even Governor Smith addressed her exclusively as "Hey, Farenthold" throughout the 61st session. Though the resolution ultimately failed, even in its failure Katz awarded Farenthold the hero's laurel crown, as a modern martyr of the Alamo. Unfortunately, the Sharpstown "reforms" didn't break the money-and-power connection as Farenthold and her Dirty Thirty hoped they would. The *Texas Monthly* observed tartly in recalling the event 40 years later that their grandstanding made liberals look ridiculous and broke their historic hold on the Texas

political system because conservatives never had much reason to pretend that they weren't favored by big business. Only the liberals looked bad when it came out that Democrats were equally as corrupt.[7]

Nonetheless, even the relatively tolerant Texas voters were shocked by the blatancy of the Sharpstown scheme, and Sissy's profile rose with their awareness. In 1972, it was elevated to the national level when she became the first woman to be considered seriously for vice president of the United States by finishing a strong second on the Democratic slate. She lost out to Thomas Eagleton, the Missouri senator who withdrew from the nomination at Presidential candidate George McGovern's request after Eagleton's hospitalizations for depression became public knowledge.

That same year, capitalizing on her elevated profile, Sissy Farenthold launched a campaign for Governor Smith's job with her three oldest children on the trail behind her. Dudley, George Jr., and Emilie cut their long hair and dropped out of college to support her. Sixteen-year-old Jimmy, already a troublemaker at St. Stephen's Episcopal School in Austin, was sent to live with friends. Her competition in her first primary included Governor Smith, who was handicapped by his personal profiteering in the Sharpstown case, but her other opponent was formidable. Ben Barnes, Lyndon Johnson and John Connally's fair-haired boy, was considered the favorite by a long shot despite the fact that, as David Broder of *The Washington Post* pointed out, the number of investigations that failed to link Barnes to the scam made him sound like Big Jule in *Guys and Dolls*: 33 arrests and no convictions. Barnes' political rise was considered so inevitable that opinions only differed on which year he would become president of the United States. Farenthold—a politically liberal woman who opposed Johnson, supported the farm workers' lettuce boycott, and introduced a bill in the Texas Legislature that would have made first-offense possession of marijuana a misdemeanor—was dismissed by all professional politicians as a token candidate who had no hope of even making the run-off. Farenthold, who

punctuated her campaign speeches by asking her audiences, “How long has it been since we’ve had a governor who left office without a ranch?” not only made the run-off but knocked out both Smith and Barnes: The den mother of the Dirty Thirty was indelibly identified in voters’ minds as someone who fought the corruption in Austin rather than tolerated it. Barnes’ gubernatorial defeat cost him his chance at the presidency.

Three days after she lost the 1972 gubernatorial run-off to banker Dolph Briscoe, the body of Farenthold’s 32-year-old stepson Randy, who was the same age as Barnes himself, washed ashore on Mustang Island, a popular resort, with chains wrapped around his chest and a 42-pound block of concrete around his neck. An affable, well-liked millionaire good-ole-boy with no apparent enemies, he had been executed gangland-style, beaten, hacked, and tied up with wires and chains that secured him to the block. The Farentholds offered a six-figure reward for the arrest and conviction of his murderer.

FBI investigators discovered that Randy was a key witness scheduled to testify in federal court on a fraud case against a Corpus Christi contractor with alleged ties to the Mafia. The contractor, Bruce Lusk Bass III, had lured Randy into an ill-judged get-richer-quick scheme that involved buying short-term US Treasury notes at a huge discount from a Mafia source in Houston. The Mafia source was never identified. Bass, who has no discernible links to the eponymous dynasty of conservative oil titans, served six years in prison for Farenthold’s murder. Released on early parole for good behavior, he was shot to death in Corpus Christi on the 12th anniversary of Randy Farenthold’s death. Police said Bass’s death had nothing to do with Farenthold’s.[8]

In 1974, Sissy Farenthold ran again for governor and lost, again to Dolph Briscoe, whose primary recommendation, other than being a man, was that he was too rich to steal, and too busy banking to be anywhere near Sharpstown. After being elected as the first national chair of the national Women’s Political Caucus, Farenthold left electoral politics to serve as the first female president of Wells College in upstate New York.

It would be entirely understandable if she had had enough of politics and of Texas, but in 1980 she declared herself homesick. She returned to Houston, opened a private law practice, and became involved with the board of the de Menils' Rothko Chapel, an "intimate sanctuary for people of every belief" that supports human rights causes.[9] The following year, in the shadow of the Iranian hostage crisis, the Rothko Chapel board would become notorious for hosting a dialogue with the international leadership of the Muslim Brotherhood, under the aegis of Alexander Haig's State department.[10] Sissy Farenthold was getting ready to tilt at her next windmill, the Iran/Contra operation whose funding trail lay deep in Texas.

BLISSFULLY UNAWARE OF any looming appointments with destiny, Mark and Day arrived at their wedding ceremony in the Rothko Chapel in a rickshaw. It made page two of the *Houston Chronicle*, as it was intended to do. Day wore a long, clinging gown, reminiscent of the 1930s, which emphasized her tall, elegantly slender frame. Mark, in his favorite Armani, looked ecstatically happy to be holding her hand. The event was designed by Kathy Heard, a restaurant designer who had partied through New York's bleak bankrupt decade and, lured by the cultural boom created by Big Oil and Jim Harithas, moved back to Houston just as New York was starting to climb out of its decline. The happy couple held their wedding reception in the rubble of Kathy's "office," a burned-out building in Midtown, which Mark, Kathy, and her boyfriend Ted Callaway transformed with the help of a rented piano into a happening. It was attended by Don and Shirley but not the rest of the Lombardi family. Mark's sisters and many of the Houston art clique relish relating how the prim and proper Day, a nervous bride despite her executive poise, drank too much champagne and threw up into the piano as a bemused Shirley held her very gracious lady's veil.[11]

Mark embarked on married life in March 1980, in the twilight of Jimmy Carter's administration. By late autumn, Carter would be unseated

by the infamous October Surprise, in which Republican operatives allegedly held up the president's deal to release American hostages in Iran until after the November elections. That sorry event would usher in the dawn of Ronald Reagan's Morning in America, a morning purchased by the government bailing the Fed out of an inflationary crisis fueled by rampant commodities speculation.

That speculation was itself the natural byproduct of two secret deals cut between the US and Saudi governments in the 1970s to ensure the golden goose of the US economy would not be killed by OPEC price hikes. In 1974, Treasury Secretary William Simon (a member of the board of directors at Halliburton who became a leveraged buyout privateer in the Reagan era) negotiated a deal enabling the Saudi central bank to buy US Treasury bills outside the normal auction. The second, cut a few years later by Simon's successor Michael Blumenthal as the Iranian revolution came to a boil, assured the Saudis' continued support of OPEC oil pricing in US dollars. Both deals were kept secret because they represented unilateral dealing on the part of the United States against all other economies that had to pay dollars for oil but could not print their own currency.[12] They also greatly increased US dependency on the Saudis. Reagan's Morning in America would reveal the transformation of the United States from the world's biggest creditor nation into its biggest debtor.

To the young newlyweds, buoyed by their love for each other and by their expectations of a shared good life, Texas still looked good. But, though Mark was happy, not all members of his small, dysfunctional adopted family shared his bliss. There was a strong antipathy to stability among those who had passed through the bonding rituals of the 1970s together. Many if not most of Mark's friends regarded Day as bourgeoise, and more than a bit stuck-up, a hypocritical Blanche Dubois who demanded protection at the same time that she was more than capable of looking after herself. Sometimes Mark himself almost seemed to collude in ruffling the conservative middle-class sensibility that, ironically,

attracted him to her.

On their honeymoon, they missed their flight to the islands. Mark's buddy since his first days in Houston, Mike Hollis, invited them to share a ski lodge in Aspen, courtesy of Mike's trust-fund-baby girlfriend, Kristin. Mark, a crack skier since childhood, spent all day on the slopes with Kristin while Mike stayed behind in the lodge with Day. "That would have been fine, if we liked each other," Hollis said. "But we didn't."[13]

Part of his peers' schadenfreude may have arisen from the fact that not only had Mark found love, but a highly attractive patron as well. Day's job afforded a lot of travel, and he traveled with her. He learned Italian, which he did with astonishing facility, to visit Italy. They even traveled to The Hague to pay homage to Mark's favorite masterwork of panoramic history painting, the *Thun Panorama*.

Almost immediately, a covert campaign was mounted to seduce the happy couple from the path of righteousness. Mark's male friends hit on Day. Some of his female friends did, too. Over the years, a steady stream of women in distress would beat a path to the front door of the little house they bought together on Schuyler Drive in the aspirational artist enclave of Houston.

Karen Wallbridge was one of those waifs. Shortly after Mark and Day were married, she showed up on their doorstep with her cat and announced she was looking for a job in Houston. Mark introduced her as a very close high school friend and offered her a place to stay until she found work. Day thought it was great for him to have a friend from way back when, but the warm glow faded quickly. "Karen wasn't a considerate houseguest," Day said circumspectly. "She kind of moved in and said, 'This is mine.'"[14] Karen, for her part, thought Day was nothing special. "She was a mean lady," she said. "Mean to Mark. She didn't like me."[15] Day tactfully encouraged Mark to find his high school chum other digs.[16] With the help of his friend Ted Callaway, who has vivid recollections of partying with Karen in the cabanas around the pool at

Houston's famous Shamrock Hilton, Mark found her an apartment in Houston's Chinatown, which he sometimes used as a studio.[17]

In 1984, Day was no doubt relieved to learn that Karen had married Ed Baker. The happy couple met at est, where Baker, then 60, was undergoing treatment for a midlife crisis engendered by getting too rich too fast. According to the Unsolved Mysteries Wiki, Baker was another business genius who made a fortune in oil and then founded Vanguard International (not to be confused with The Vanguard Investment Group, which still exists today), one of the fastest-growing businesses in the United States in the 1970s. According to Pete Brewton, Baker was a con man whose unbridled business expansion was due to shadowy backers including mob financiers and real-estate investors in the CIA's vast illicit air network that was centered in Texas.[18]

Ed Baker had made his first fortune in selling oil and gas limited partnerships to unwary investors, his second in real estate, his third in finance. "He drilled a lot of dry holes," Karen said, but prospered on selling the oil rights before the lack of oil was discovered. Alvin Malnik, allegedly a protégé of the late mob financier Meyer Lansky, invested a relatively small sum with Baker, who magically returned him over $1 million in tax write-offs. One of Baker's partners and financial backers was a Houston real-estate investor, Jack Modesett, whose company owned land in West Texas that housed a CIA landing strip, said to be controlled by Walter Mischer, the fourth-largest landowner in Texas and a close associate and financial backer of Senator Lloyd Bentsen. Bentsen, who regularly places on *Texas Monthly*'s list of most powerful Texans, is known as "first and foremost a master-buyer and manipulator of political influence for private gain."[19] According to former Pentagon criminal investigator Gene Wheaton, the landing strip was a trans-shipment point for drugs and guns into and out of Latin America, a main artery for the Iran/Contra affair as well as a training ground for Central American mercenaries and hit men.[20] Mischer, a political power broker and fundraiser for Lloyd Bentsen and George Bush among many others,

loaned money to Ed Baker through Allied Bank, which he owned, as well as to Baker's limited partners including Saudi European Bank S.A., a small Paris-based entity that was a tiny hatchling of BCCI. In 1985, Charles Keating, the S&L looter who worked on John Connally's doomed 1980 presidential campaign, purchased a 15 percent interest in the Saudi bank's parent company, Saudi European Investment Corp.—whose international board of advisors included none other than John Connally. Five years later, Keating would be sent to prison for fraud for pumping up Lincoln Savings and Loan with "illusory investments" after Alan Greenspan exempted Lincoln from regulation on the grounds that Keating was an exceptionally astute investor. These relationships, which Mark would graph in painstaking detail in several drawings, contained the answer to one of the questions the Senate investigating committee on BCCI gave up on: the exact nature of the connections between Keating and BCCI.

Baker had divorced his wife of many years, with whom he had built his business, and embarked on a course of fast cars and fast women. Karen Wallbridge, age 32, fit the bill. "I married him for money," she said. "But I didn't want to be with someone I didn't love."[21] They were married, appropriately enough, in a lavish ceremony in Las Vegas, little more than a year before Baker's alleged death. Mark and Day came to the wedding. "We stayed close friends," Wallbridge said, "even though I was living in another world."[22] Almost immediately, things started going wrong. Baker told Wallbridge he thought he had made a bad match, and had her followed by detectives to see if she was having an affair. Eleven months after they married, they divorced, and Baker married his secretary. Wallbridge says that Baker was supposed to pay for an annulment of their marriage but never did.

WITH THE SECURITY of Day's job at his back, Mark left the job he had found as an art handler and, in the mid 80s, set up two galleries on nothing but his own ebullience. He had no financial backing, nor any

savings to speak of. His first, Square One, was an "alternative space," which essentially meant he paid no rent. It was a hole in the wall, down some stairs in the back of a mansion on Bissonnet Street whose owners let him have it for free because they liked hanging around artists. "Mark was a strange dealer," said Jesse Lott, one of the artists he exhibited who is today one of the best-known of the Houston school. "Strange—because he would sell your work, call you up, and bring you the money! He thought he was doing Robin Hood stuff, helping artists by helping collectors out of their money. He took art dealing seriously, as his political duty. It was his job to help artists promote themselves so they could go on being creative."[23]

Mark was a good salesman. He meticulously kept an extensive mailing list on three-by-five-inch index cards. He brought Lott several hundred dollars apiece for small sculptures that the artist sold himself for $50. But he ended up owing money because he spent lavishly to promote sales. "He knew how to spend money but not how to hang onto it," Lott said. "He wasn't selfish enough. You have to be really selfish to succeed in business. Mark didn't know how to look out for number one. He would throw the party and end up with nothing to eat. Or he'd just forget to pay himself."

At Square One, Mark indulged his taste for outsider art, only partly because it was cheap. He seems to have cared about his most difficult clients, notably elderly, ailing William Hunter Dillard. When Dillard was put in a nursing home, Mark tried to find him buyers. His good deed did not go unpunished. The frail septuagenarian beat him down in negotiating his prices, much to Mark's good-natured amusement. Among other demands in the contract Dillard insisted on writing and which Mark saved as a good joke on himself, "It is specifically understood that Wm. Hunter Dillard is not to furnish any frame for any picture, nor to pay for any frame. . . . Mr. Lombardi has voluntarily promised the artist-owner of the ten pictures listed to pay Wm. Hunter Dillard 75% of the sale price of each painting. . . . This artist-writer sincerely COMPLIMENTS any

person who has the courage and determination to enter the art gallery business . . . when the GREAT DEPRESSION has ruined the book publishing and art business in the great NEW YORK CITY and will probably continue to damage the Houston area for some years to come. . . .”[24]

The gallery did not succeed, even with the endorsement of Walter Hopps, the legendary founding director of the Menil Collection and Jim Harithas’ main competition on the Houston scene. Hopps succeeded Harithas as director of the Corcoran Gallery when Harithas was fired in 1970 and was himself fired in 1972. Hopps duly made his own way down to the Houston oil souk and to the court of Dominique and John de Menil, the fabulous Schlumberger Medicis for whose favor the Houston art world furiously competed. An imposing figure of a man who was known as much for his elusiveness as for the brilliance of his exhibitions, particularly for the first-ever retrospective of Mark’s idol Marcel Duchamp, Hopps became the curator for the Menil Collection. “Getting Walter’s time was a big deal,” according to his former assistant, Donald Quaintance, one of the co-founders of Mark’s ill-fated employer, Bravo. The fact that Mark got it—twice—may have had something to do with the de Menils, who were known as much for their far-left politics as for their lavish funding of the arts.

The de Menils hosted salons at which progressive political views were frequently aired. One of their regular guests was Sissy Farenthold, who had become active on the board of the Rothko Chapel foundation and eventually ended up as its chairman.

Though she had put candidacy for herself behind her, she was by this time the state’s best-known liberal politician as well as one of the nation’s most prominent feminists, traveling ceaselessly to lobby for progressive causes, picket missile bases, and spearhead think tanks on government reform.[25] That her activities registered as threatening rather than as marginal or eccentric is evident in Karl Rove’s anti-women divide-and-conquer politics that put George W. Bush in the White House

in 2000. Rove took aim directly at the progressive Texas of Farenthold and her close friend Anne Richards, whom Rove knocked out as Texas governor in 1994: The redistricting plans overseen by Rove and Tom DeLay to take back the Texas Legislature targeted women in particular.[26]

RANDY'S DEATH HAD brought the strains in the Farenthold marriage to the surface. Chief among them was Jimmy, seemingly intent on rejoining his dead identical twin by means which eventually included crack cocaine as well as alcohol. Farenthold, who publicly attributed her trademark prematurely white hair to Jimmy's insouciance, was crucified on her inability to abandon either politics or her sick and needy child, whom she once described in terms that could equally describe Mark Lombardi: "He took chances. He took chances all the time. You know, he was a very sweet person. Charming too, but more basic than the charm was the fact that he was very sensitive."[27] Increasingly, the marriage became one of convenience; increasingly, the couple lived apart. In 1985, they finally divorced.

Farenthold was 58, still glamorous—"For Houston, she's practically Parisienne!" according to the one of the many journalists who still beat a path to her door—and as driven as ever. Although she had forfeited a conventional political career to tilt at the patriarchy, she not only continued to campaign for feminist and other human-rights causes, but also to work behind the scenes against the good-ole-boy network that had cost her her career. She bought a glamorous condo in the wealthy Houston suburb of River Oaks, close to many of her antagonists, and assembled her own political salon, a "group of young people" who shared her interest in the subject of political corruption in Houston and how, alarmingly, it was now reaching into the national and even the international scene. "I was just trying to compile information for my own interest," Farenthold says today, but her "group of young people" approximated a private investigative task force that included seasoned journalists like Pete Brewton of the *Houston Post* and Jonathan Beaty of

Time magazine.

At the time, Beaty was working with a protégé named Danny Casolaro, who was researching a shadowy international banking and intelligence hybrid he called "the Octopus," otherwise known as BCCI and its affiliates. Casolaro, whose alleged suicide in 1991 prompted calls for a Congressional investigation, was at the time of his death investigating links between BCCI and a controversial software program called PROMIS (for Prosecutor's Management Information System, the foundation for today's monolithic NSA surveillance system) that led back to Saudi European Bank S.A., the small Paris bank involved with Karen Wallbridge's husband Ed Baker. The author found Casolaro's phone number, along with several articles about his death, in Mark Lombardi's files: According to another member of the group, Mark Lombardi "took over where Danny Casolaro left off."[28]

Farenthold also frequented political gatherings at the home of Curtis Lang, whom she knew through one of her sons. At one of these, sometime in the mid-80s, she says, she met an intense young man who, like Jimmy, took a lot of risks, had great charm, and was very sensitive. She describes him as "haunted," perhaps seeing something of herself in him that created an instant bond. He engaged her interest immediately, and they became fast friends, although, she says, they never talked about anything but business. His name was Mark Lombardi.

It is difficult to believe that the connection-hungry artist who also had a lively eye for any attractive woman in the room was not completely dazzled by the brains, beauty, power, and wealth of his new fairy godmother, who put even Ann Harithas in the shade. Astonishingly, Farenthold said, she had no idea the young man was an artist: She knew him "only as an 'investigator'" of BCCI.[29]

But in 1986, BCCI was only a shadow on the horizon. Farenthold's real focus at the time was BCCI's predecessor, the Iran/Contra scandal that had roots in much the same muck she had been raking with Sharpstown. What "went down in Texas" in the Sharpstown bank scandal

served as the blueprint only five years later for another financial debacle, dubbed "Rent-A-Bank," in which one of the chief protagonists was Herman K. Beebe, financier of Farenthold's chief political adversary, Ben Barnes. Beebe earned his honorary title as the "godfather of the dirty Texas S&Ls" at the center of a new cascade of S&L failures that flooded not only Texas but also the South and Southwest in 1986. Not entirely by coincidence, in the same time period he also financed—allegedly with Mafia funds—Palmer National Bank, the DC hub by which Lt. Col. Oliver North sent arms and money to the anti-Sandinista guerrilla Contras in Nicaragua. One of Palmer's founders, Stefan Halper, had no previous banking experience but was George H. W. Bush's foreign policy director during Bush's unsuccessful 1980 presidential campaign, on which he worked with ex–CIA Directorate of Operations chief Theodore Shackley. An accomplished political operative, Halper was later linked to several of the dirtier-tricks campaigns that allegedly helped the Reagan/Bush team to victory, including the infamous October Surprise. As art critic and historian Robert Hobbs was to write almost 20 years later, Palmer National Bank gave the internationally known artist Mark Lombardi a "microcosm of the connections between high federal government officials, organized crime, United States intelligence operations, and financial institutions on which his art is predicated," an "incipiently three-dimensional vicious circle" which held within its sphere not only the past S&L and Iran/Contra scandals but also the future one of BCCI.[30]

5

THE MACHINE THAT MAKES THE ART

"When an artist uses a conceptual form of art, it means that all of the planning and decisions are made beforehand and the execution is a perfunctory affair. The idea becomes a machine that makes the art."

—CONCEPTUAL ARTIST SOL LEWITT

"In describing or defining a work of art as conceptual it is important not to confuse what is referred to as 'conceptual' with the artist's 'intention.'"

—CONCEPTUAL ARTIST MEL BOCHNER

ON NOVEMBER 8, 1985, ED BAKER, OR WHAT WAS SUPPOSED to have been Ed Baker, showed up scorched to a crisp in the wreckage of his Jaguar, identifiable only by his dentures. Shortly thereafter, Karen Wallbridge showed up, like the proverbial bad penny, on the Lombardis' doorstep. Mark and Day had moved by then, to a pretty house in Houston's equivalent of Soho in the early 1980s. According to Shirley Lombardi and Day Barlow, Wallbridge knocked on their door with nothing more than the clothes on her back and a dramatic story of having been made destitute by the executor of Baker's estate, a story Mark was all too happy to repeat to anyone who could advance his work. According to Karen, she was far from destitute but had $150,000, a payment from her ex-husband Ed Baker, squirreled away in a Florida bank account.[1] Wallbridge, and others, suggest that Baker used a spare set of dentures to fake his own

death and hightailed it to Latin America.

Baker had some good reasons to disappear. At the time of his alleged death, which his widow termed a mob hit, he had reportedly instructed his lawyer to look into ties between his main lender, E. F. Hutton, and the notorious French Connection heroin-smuggling operation. In 1987, E. F. Hutton was indicted along with other major Wall Street investment firms for accepting millions of investment dollars from the Sicilian Mafia but escaped serious liability because they had filed the requisite paperwork on their transactions.[2] More than that, Baker's enterprise was at the epicenter of Iran/Contra finance, a web that connected Charles Keating to the CIA money laundromat BCCI as well as to John Connally, James Baker III, former Secretary of the Navy Robert Anderson, and the brother of former French President Giscard d'Estaing.

At the opening of his first solo show in November 1996, Mark was later to impress *Houston Press* reporter Shaila Dewan with a heavily encrypted version of Baker's business contacts.[3] Baker's clients included a major Saudi Arabian bank, Saudi European (SEIC) on whose board sat a "prominent Houston lawyer and ex-governor," John Connally. SEIC owned part of one of America's largest failed savings and loans, Mainland Bank, which was Iran/Contra's piggybank. The executor of Baker's estate, Bill Turney, was in business with George H. W. Bush's campaign finance chairman Jerry Allen. Turney later became a business partner of a "major Saudi operative who was said to have received as much as $250,000 for arranging padded contracts with aircraft manufacturers and to have acted as a bag man for Middle Eastern royalty." This was none other than the man who never saw a Texas real-estate deal he didn't like, Iran/Contra and BCCI fixer Adnan Khashoggi. As if that weren't enough, Baker had been borrowing money from the Mafia to pay for his dry oil wells.[4] All of these contacts would be fully displayed in the lower-right quadrant of Lombardi's masterwork, *BCCI-ICIC-FAB, 3d Version*.

Mark ate up Karen's tale of woe. For Mark, his long relationship with

Karen made him feel he had a personal connection to the "financial scandal of the century." As he would, incredibly and almost ludicrously, say later in an interview on achieving his first burst of fame, "It was all about me."[5] Being personally involved with someone whose life had just indeed blown up would give him exactly the "authenticity" he thought he needed in order to sell a book on the rogue bank BCCI which was superseding Iran/Contra in Sissy Farenthold's attention span.[6] "He was really, really excited about it," Wallbridge said.[7] They made plans to get together, but Karen suddenly left Houston, never to return.

MARK HAD PLANNED his next venture, which he grandly titled the Lombardi Gallery, to be a commercial space. There was only one problem. "He wasn't a very good businessman at all," Day said. They argued about how Mark ran the business. Day fell out of love with the art world. Mark's extensive mailing list contained many prestigious collectors, and in his euphoric state of enthusiasm he would let them take work on consignment in the belief that they would pay for it. He had no trouble "selling" the work, but a good deal of trouble collecting money.[8]

Mark's opening could not have had worse timing. Only a few weeks after the lavish opening-night party, the great oil price collapse of 1986 began and swamped Houston in a slick of soured deals that sent the real-estate market skidding. With a certain amount of poetic justice, the savings-and-loan crisis hit Texas twice as hard as the rest of the country. Even the wealthy collectors on Mark's mailing list were affected, the high-fliers worse than most.

In the early 1980s, oil prices had already dropped sharply, and even the Saudis started running out of money. The wheels started coming off the Texas boom in 1982 with the collapse of Penn Square Bank in Oklahoma City, a leading broker of bad energy deals. Penn Square in turn took down Michele Sindona's business partner David Kennedy's Continental Illinois in May 1984, at that time the sixth-largest bank in the United States and the first of the banks considered "too big to fail," a

phrase popularized in Congressional hearings on the FDIC's subsequent rescue mission.

Kennedy, who became Nixon's ambassador to NATO in 1972 after his abrupt departure from the Treasury, owned 24.5 percent of Sindona's Banca Privata and, moreover, sat on the board of Fasco International Holding, the Luxembourg holding company which controlled Sindona's reinvention of Franklin National Bank (which has no apparent relationship to Franklin Savings Association). Shortly before Franklin failed, Kennedy approached the Federal Reserve on Sindona's behalf to facilitate the purchase of 15 percent of the Bank of America, the nation's biggest bank at the time. A national catastrophe was narrowly averted when the Fed said Sindona had to sell Franklin before he could buy B of A. (Fortunately, Franklin collapsed before Sindona could carry out his plans).[9] Kennedy was not convicted for any crimes, if only because Sindona refused to testify against him. Kennedy founded and became the chairman of the US-Taiwan Business Council. In Taiwan, from whence the United States and the CIA's old ally Generalissimo Chiang Kai-shek had launched attempts to recapture mainland China from the communists throughout his 27-year rule, Kennedy was reunited with his old partner Sindona in 1984, when the Italian fugitive flight capitalist took refuge as an "economic advisor" to the Taiwanese government as it launched into the offshore banking game, "suitably protected against exchange controls, interest-rate ceilings, reserve requirements, and taxes."[10]

The Taiwanese launch was ably assisted by two Japanese gangsters, Yoshio Kodama and Ryoichi Sasakawa, who conveniently founded the World Anti-Communist League in Taiwan in 1967, the year after they enlisted President Ferdinand Marcos's assistance in "recovering" Japanese war treasure in the Philippines. The Japanese plunder, otherwise known as the Black Eagle Trust, amounted to $44 billion in gold bullion, gemstones, gold artifacts, and other precious booty largely looted from the infamous Rape of Nanking. It was put to work to finance covert anti-communist operations worldwide, and magnified by the use of

derivatives in which Sindona's expertise was no doubt invaluable. It is worth noting that Maj. Gen. John K. Singlaub, President Reagan's administrative chief liaison in the Iran/Contra affair, was the chairman of the World Anti-Communist League from 1984 to 1986.[11]

Sindona had the last laugh in 1984, when the FDIC bailed out the depositors of Continental Illinois to the tune of $4.5 billion to protect the banking system from the consequences of a run caused in large part by bad loans purchased from Penn Square, which carried more than $2 billion in worthless loans from bad energy-sector bets on its books. The strategically chosen Continental, the Vatican's principal American banker and a Gladio piggybank through which covert funding for the 1967 colonels' coup in Greece was channeled, was America's sixth-largest bank at the time.[12] Initially presented as a special case to prevent a massive flight of interbank funds from the American banking system, the rescue became policy when the comptroller of the currency announced that the US government would effectively guarantee all of the deposits at the country's top banks. "Too big to fail," the phrase coined and popularized at Continental's hearings, was a gift to the big money banks, half of whose funding came from overseas deposits on which they paid no insurance premiums. It also conveniently avoided the embarrassment of distinguishing between depositors and thereby disclosing that, desperate for deposits in an ongoing recession, they had turned a blind eye to their more questionable sources.

The collapse of Penn Square/Continental Illinois tore through the US banking system like a bowling ball. Large numbers of savings-and-loan institutions began to fail after a series of changes in federal and state laws allowed them to invest outside their traditional areas and to hedge their investments by betting on continuing high oil prices. Vast amounts of both kinds of hot money—i.e., funds created by criminal activity and legitimate finds in search of high yields—were dumped into real-estate and pumped up prices to unsustainable highs. In Texas alone, 15 savings-and-loan banks, blown up by massive overbuilding as well as by the

bookkeeping of investors like Adnan Khashoggi, the arms dealer and CIA fixer who became known as the biggest Arab real-estate investor in the United States, went under. In the 1970s, an average of eight US banks failed a year. In 1981, 10 went under; in 1982, 42. In 1984 the number hit 79, a figure which doubled again in 1985. FDIC payments from 1934 to 1980 totaled $500 million. From 1981 to mid-1985, they multiplied tenfold to $5 billion. Eight hundred US banks hit the regulatory agencies' problem list.[13]

At the same time, the US recession reached its nadir, and the demand for oil sank. Complacent experts declared prices would drift down to $25 a barrel then start rising again, but when Saudi Arabia's oil revenues fell by 75 percent, it turned on the taps and flooded the world market, just as Mark Lombardi opened the Lombardi Gallery in Houston. The gallery lasted six months.

WITH TEXAS SWALLOWED by a seemingly irreversible bust, money was suddenly a problem for the hopeful young couple. Day's job no longer seemed enough. Mark got a job as a courier at HotShot, "providing dependable, personalized delivery and logistics services to propel your business to the next level," that covered his share of their basic expenses. It was a humiliating comedown, but he felt curiously relieved. He was even more disillusioned than Day with the art world that had beckoned him so seductively ever since he was 15. In between delivery runs and late at night, he turned his anger and frustration at the disaster that had overtaken him yet again toward writing a book—a book that would not only give him a way to beat Jim Harithas at his own game but to avenge himself on the powers that had handed him another failure.

Harithas' grand gesture of revulsion at being let go from CAMH was to make over 15 seemingly lunatic trips in a broken-down truck to the battle zones of Latin America, ferrying antibiotics to Sandinista rebels in Managua, Honduras, and El Salvador. The battle dispatches from his grueling test of manhood—gripping tales of arrest at gunpoint and nights

in unspeakable jails—were relayed to Mark via the Houston gossip mill, and magnified with each telling, inspiring his stay-at-home disciple to travel along in spirit if not in the flesh. After collecting a string of rejections for a 600-page reworking of his final undergraduate project, which he fondly hoped would spark a revival of interest in the lost art of panoramic history painting, Mark flexed his muscles to write an equally weighty tome on a more political topic, the Reagan administration's war on drugs. His research put him in the back of Harithas' truck, so to speak—hot on the scent of Iran/Contra's funding sources in the embattled Latin American drug trade–zones and still at the side of the mentor he worshipped but had not forgiven.

Portentously titled *On Higher Grounds: Drugs, Politics and the Reagan Agenda*, the unfinished 400-plus-page manuscript is badly in need of a blue pencil. It rambles off on the backs of Lombardi's pet polemic hobbyhorses, but, interestingly, its central point is one many more seasoned journalists would make later: As Mark saw it, the war on drugs, ironically, was initiated as an intensive public-relations effort aimed at reducing demand but ended up "supplanting the Cold War as our leaders' new mission and fulfilling the United States' apparent need for an external enemy to combat"[14]—a need which would require considerable funding that Congress was not in a humor to allow. Untrained but well-read, Lombardi was already scratching at the surface of the Black Eagle Trust, a journey that would bring him all the way home to Texas.

ART HISTORIAN ROBERT Hobbs says that "In retrospect, it appears that Lombardi's subsequent move from analyzing the campaign against drugs to investigating the money-laundering of drug funds was a circuitous one, first inspired by Pete Brewton's sensational *Houston Post* articles on failed savings and loan associations which implicated President Bush's Houston friends and sons, CIA. operatives, and known business associates of the Mafia." However, Lombardi's investigations not only predate the

publication of Brewton's book but some of the articles themselves. According to Lombardi's own notes, retrieved from his capacious files, his path was not nearly so circuitous. Karen Wallbridge's dramatic plight was one catalyst, but even more than that, Mark's animus was in fact directed at players in the Bush circle he felt had orchestrated his ignominious departure from CAMH, and informed by his relationship with Sissy Farenthold of Texas.

In 1987, amid public outrage and mounting pressure from Congress—particularly from Massachusetts' Democratic Senator John Kerry, who was already spearheading hearings into Iran/Contra—the US Justice Department dispatched a task force of prosecutors, FBI agents, and Internal Revenue Service agents to investigate fraud in the failure of financial institutions in Texas. The Iran/Contra hearings ran from 1987 to 1989. In 1991, the BCCI investigation that Kerry spearheaded would release new information revealing a "whitewash" of the "forgotten fifty" biggest savings-and-loan banks in Texas in the 1980s. Kerry, a member of the Senate Banking Committee, said he was "flabbergasted" at the lack of collaboration and subpoenas issued. He charged that the Resolution Trust Co. recovered only $47,000 from S&L insiders who "ran those fifty Texas savings and loans into the ground."[15]

Given Kerry's complaint about the lack of collaboration between law enforcement agencies, Sissy Farenthold's "group of young people" were turning up information of great potential value to his investigation. According to Pete Brewton, who published his findings in book form in 1992, the insiders in question were "a select group of very rich, very powerful people" who shared "symbiotic relationships to the Mafia, the CIA, and to the two most powerful politicians from Texas, President George Bush and Senator Lloyd Bentsen." Brewton identified this "small cabal" that, recognizing that the S&Ls couldn't survive under rapid inflation and high interest rates, exploited the situation for their own ends which included both pumping and dumping the S&Ls and funding illicit covert operations outside Congressional oversight, notably Iran/Contra.

Brewton called the pillage of the Texas S&Ls "the perfect crime."[16] Mark Lombardi, with Farenthold's encouragement, visualized the relationships and the flows of money that Brewton was preparing to describe, what social network analysts would later characterize as "laying out the who-to-whom."[17]

ONE DAY IN 1987, a year before Brewton's first S&L piece appeared in the *Houston Post* and about a year after Michele Sindona died of cyanide poisoning in an Italian prison cell, the Los Angeles super-lawyer Leonard Gumport, who was examining the bankruptcy of a subsidiary of Adnan Khashoggi's company Triad America, received a phone call out of the blue from a total stranger in Houston, one Mark Lombardi. Gumport dimly recollects that Lombardi identified himself as a journalist. In the artist's files, this author found notes related to this conversation, in which Lombardi, certainly acting as an investigative journalist rather than an artist, carefully detailed Khashoggi's part in a massive bribery scandal involving Lockheed, which almost brought down America's biggest aerospace company.

In 1977, President Jimmy Carter signed into law the Foreign Corrupt Practices Act following the Church Committee's discovery that Lockheed had paid at least $22 billion in bribes to top Saudi and other friendly government officials to guarantee military contracts. The ailing company had been supported since 1972 by $300 million in guaranteed government loans personally sponsored by none other than the evermore Saudi-friendly treasury secretary, John Connally. Khashoggi, the legendary arms dealer and fixer who brokered the covert Iran/Contra arms-for-hostages deal along with Manucher Ghorbanifar, publicly represented Lockheed as well as Teledyne, Chrysler, and Raytheon in the Middle East: in the face of Congressional investigations, he credited himself with "saving" Lockheed by facilitating the bribes.[18]

Gumport made a practice of making himself accessible to journalists. He spent a half hour of his highly billable time answering Lombardi's

detailed questions about how he traced the connections between the shadowy offshore entities that were an essential feature of the case. Gumport explained how to do an interlock search, a type of flowchart used in anti-trust litigation and accounting that involves graphing the relationships between interlocking boards of directors.[19] Asked why he took the time to give a tutorial in interlocks to a total stranger, he replied, "It doesn't take that long to explain how to do an interlock."

Lombardi was an exceptionally quick study. According to the legend he created in a 57-minute videotaped self-interview and which was repeated by the art-historian Robert Hobbs,[20] he had an *Aha!* moment doodling on a napkin while speaking to Gumport, whom he described as his "friend"—and so the great idea which would make him famous was conceived. Years after the artist's death, upon reading his Wikipedia entry, Gumport said he was astonished to discover he was Mark Lombardi's friend; outside of their one phone call, Gumport said, he never met the artist in his life.[21] In point of fact, Mark augmented his tutorial with Gumport by acquiring financial analyst Mark Hulbert's detailed how-to book on interlocks, a copy of which the author found in Lombardi's bookshelves.

Lombardi appears to have concocted this fable to burnish his own legend and to protect others, notably Sissy Farenthold. There is a gap of six years between Leonard Gumport's distinct recollection of the 1987 telephone conversation in which he explained how to do an interlock search to an "investigative journalist" from Houston named Mark Lombardi and Lombardi's own account of that conversation in an interview videotaped in 1997. Lombardi said he had his breakthrough conversation with Gumport in 1993. Gumport is very definite that it took place at the time when he was deposing Khashoggi in 1987, when Lombardi apparently sought his help not only in perfecting his interlock technique but obtaining information about Khashoggi's real-estate investment company, which had not been widely reported in the press.[22]

Khashoggi not only allegedly brokered Iran/Contra; he was also a

principal middleman in BCCI, from which he borrowed the money for his Iranian arms purchases. Son of King Ibn Saud's personal physician, Khashoggi learned how to party at university in California in preparation for becoming an "intimate of kings and heads of state, a great gift-giver, provider of women, and creator of a style of life that would become world-renowned for extravagance."[23] His Western education and fluent English won favor with Saudi royal princes Sultan and Talal, who kicked his career into high gear when the oil embargo took hold. By the mid-1970s, his commissions from Lockheed alone (as punctiliously noted by the impoverished artist Mark Lombardi) totaled more than $100 million. Along with Kamal Adham, head of Saudi intelligence, he co-founded Barrick Gold Corporation in 1983. By the mid-1980s, he was reputed to be the richest man in the world, his life style, *The Book of a Thousand Nights and a Night* repurposed for the 1980s. He clearly enjoyed the title of the first Arab to develop land in the United States. Triad, the company eventually investigated by Leonard Gumport, had holdings that included 13 banks, a chain of steakhouses, cattle ranches in North and South America, resort developments in Fiji and Egypt, a chain of hotels in Australia, and other real-estate, insurance, and shipping concerns including Triad America Corporation, which sank $400 million in a 25-acre complex of offices, shops, and hotels in Salt Lake City before filing for bankruptcy in 1987.[24]

Khashoggi was a frequent visitor to the River Oaks pleasure dome of Khalid bin Mahfouz, whose National Commercial Bank of Saudi Arabia provided financing to Khashoggi around the time he acted as middleman (along with Manucher Ghorbanifar) in covert negotiations to free the Americans taken hostage at the US embassy in revolutionary Teheran with a windfall of weaponry as barter. Khashoggi's finance streams, most of which went to support grandiose real-estate ventures like the Houston Galleria, became inexplicably and inextricably commingled, and eventually took down several Texas S&Ls along with his relations with bin Mahfouz, one of the principals of BCCI.[25]

MARK'S BOOK ON the drug wars met a steady stream of rejections. He used his extensive research on Khashoggi to turn it into another book, this time about money laundering and BCCI (which Brewton deals with only tangentially in *The Mafia, CIA and George Bush*). What Lombardi lacked in access to classified information, he made up in ambition. It is worthwhile to compare what he later wrote to describe the second version of his BCCI masterwork to the work of journalists who had sources deep in the intelligence community:

> Read from left to right, this chart represents the evolution of BCCI, the Bank of Credit and Commerce International, otherwise known as the "bank of crooks and criminals"; a mainly Arab-owned concern founded in 1972 with financial backing from Bank of America; the brainchild of Pakistani banker Agha Hassan Abedi. . . . Assets grew from $5 million in 1973 to $23 billion by 1991; by mid-1980s had opened offices in 78 countries to serve the needs of nearly one million depositors and borrowers. . . . By all appearances BCCI was a stable and profitable enterprise managed with integrity.
>
> But beneath the veneer of legitimacy, BCCI, in conjunction with ICIC [International Credit and Investment Corporation], its shadowy "black" banking unit founded in the Caymans in 1976, plied quite another trade—handling "hot," "black," "dirty" money for a panoply of international gangsters, arms dealers, bagmen, corrupt foreign officials, drug smugglers, tax evaders, money launderers and agents of influence, not to mention elements of the intelligence services of the U.S., U.K., Pakistan, U.A.E. and Saudi Arabia, which, among other things, used the bank in the early 1980s to provide support to the Afghan mujaheddin fighters, finance parts of the Iran-Contra operation and funnel bribes to "retired" Palestinian terrorist Abu Nida; BCCI also helped launder money for erstwhile allies of the U.S. like Iraq's Saddam Hussein

and Gen. Manuel Noriega of Panama. . . .

It is no coincidence that BCCI was founded in September 1972, only two weeks after Palestinian extremists massacred the Israeli Olympic team in Munich, West Germany, and that ICIC, which opened in July 1976, came into being in the midst of a massive Congressional investigation of over 100 U.S.-based multinational corporations suspected of paying multi-million dollar bribes to win contracts and do business overseas, particularly in the Middle East. Nor is it merely coincidental that the directors of BCCI, who operated above and beyond the law for almost two decades without interference from any governmental agency, were for the most part drawn from the diplomatic corps and intelligence community. This is because BCCI was specifically created to serve geopolitical rather than commercial ends; to further the regional and national security ambitions of a handful of conservative Gulf Arab states allied to the U.S. and Britain, regardless of cost.[26]

THERE HAD NEVER been anything like BCCI, as Joseph Trento ironically pointed out in *Prelude to Terror*, his 2005 book on the intelligence failures that led to 9/11. The hidden history he uncovers, through extensive interviews with James Jesus Angleton, William Corson, and many other contacts, created in the course of 35 years covering the intelligence industry, makes an arresting narrative accompaniment to Lombardi's panoramic history drawings, though Lombardi died five years before Trento made the information public, and none of the books on BCCI published in Lombardi's lifetime contain its sweep.

In 1975, the Pakistani government approached the Saudi royal family for help in financing an Islamic nuclear weapon. Trento says that Kamal Adham and his advisors had concluded that the Saudi kingdom would not survive if they let the Israeli nuclear weapon program (implemented in 1964 with a tacit nod from Lyndon Johnson) go unchallenged. To Adham,

creating a single worldwide clandestine bank would not ensure sufficient resources to stave off the coming Islamic revolution that he felt threatened Saudi Arabia and the entire region. At the same time, the Safari Club, a *sub rosa* anti-communist league of nations that included France, Egypt, Saudi Arabia, Morocco, and Iran, needed a network of banks to finance its own ops while US intelligence was still hobbled by Congressional investigations stemming from Watergate. "With the official blessing" of George H. W. Bush, then head of the CIA, Adham transformed a small Pakistani merchant bank (BCCI) into a worldwide money-laundering organization by acquiring hundreds of enfeebled banks, some of them in the United States. Bush himself, according to Trento, kept an account at the Paris branch of BCCI. When the CIA's own front banks finally collapsed in 1977 under the weight of multiple Congressional investigations and a suddenly inquisitive IRS, BCCI rode to the rescue, putting its Saudi funders in a position to manage and shape the Middle East intelligence received by the United States. As a result, Trento understates, "Our ability to gather effective intelligence began to be compromised."[27]

The Saudis, to be fair, were not the entire problem. BCCI's intelligence-gathering methods were unique. The bank would solicit the business of every major terrorist, every rebel and underground organization in the world. The "invaluable" intelligence (or counterintelligence) thus gleaned would be discreetly disseminated to "friends" of BCCI.[28] Those friends included the newly privatized CIA under Ted Shackley, who led a mass exodus when Adm. Stansfield Turner purged the agency in 1977: George H. W. Bush would take 26 disaffected senior operatives with him into the banking business in Houston the same year.[29] The CIA's "stockpile of misfits and malcontents" was put at BCCI's disposal to man what *Time* magazine called a "black network" of assassins and enforcers that "combined intelligence with efforts to control a large portion of the world's economy." Those criminalized efforts at control would result in floods of hot money, gross and perhaps

permanent distortions of the world's economy. The hypothesis that Lombardi was literally drawing these global distortions is borne out by drawings such as *Frank Nugan, Michael Hand, and Nugan Hand Ltd. of Sydney Australia*, in which one timeline also suggests the earth's equator and spherical distortions open out below it; and *Oliver North, Lake Resources of Panama and Iran-Contra*, one of the first of a series of totally spherical drawings showing the global span of Oliver North's "Enterprise" and how it relates to a global network of private intelligence organizations, private military firms, and right-wing businessmen that metastasized in the 1980s after Admiral Turner's and President Jimmy Carter's efforts to eliminate the cancer at CIA forced a number of career intelligence officers to pursue their careers elsewhere. Trento, however, does not go into the Black Eagle Trust, a source of funding for the Enterprise and, at approximately $44 billion, worth more than twice BCCI's total assets. Lombardi began mapping the root system of the Enterprise in a series of drawings created shortly before his death, but the information that appears in drawings such as *BCCI-ICIC-FAB, Version 3* ; *George W. Bush, Harken Energy and Jackson Stephens CA 1979–90* ; and *Rewald, Dillingham and Wong, Honolulu* was not published in book form until 2005, in Sterling and Peggy Seagrave's *Gold Warriors*.

With George Bush as vice president and William Casey as director of the CIA, Trento said that the executive branch would prove much more sympathetic to darker and less conventional methods of intelligence gathering. These developments ultimately had a catastrophic effect, helping to lay the groundwork for a number of sinister covert activities as well as major political and foreign policy blunders. A short list would include Operation Watchtower, the Iran/Contra scandal, and the development of al-Qaeda. (As more evidence comes out, it may come to include the development of ISIL, or the Islamic State, as well.) "In addition to this intelligence malfeasance, the United States, now largely dependent on Pakistani and Saudi intelligence, ultimately lost not only the ability but the will to gather meaningful counterintelligence about

these spy services that were now acting as our surrogates in the region," Trento wrote. "These alliances would draw us into Afghanistan and the Iran-Iraq War, and the split between Moslem factions. By September 2001, the Saudi intelligence service was providing the US with virtually all the intelligence we had on al-Qaeda and Osama bin Laden. Perhaps most important, the alliance would also force us to look away as the Saudis financed the first Islamic nuclear bomb in Pakistan and the eventual distribution of that technology throughout the Muslim world as well as North Korea." Trento's main point, that spreading nuclear technology throughout the Islamic world just as militant Islam began to press its violent campaign against the West was the ultimate form of blowback, has the ring of Greek tragedy today.

Mark's writings on BCCI suggest the artist's entry point into what he would later call his "ur-drawing"—the master work that contains the keys of all his other drawings: "The bank's downfall began in 1988 when U.S. Drug Enforcement officers arrested seven mid-level BCCI executives suspected of laundering cash for the Medellin drug cartel through a branch office in Tampa, Florida; the U.S. Justice Department's lack of enthusiasm for the case and lenient treatment of BCCI upon conviction served to rouse even more interest in the bank. . . ."[30] Part of the interest was, coincidentally, Kerry's. Still deeply embroiled in the Iran/Contra hearings, by 1991 he would be castigating the lax official investigations of the 1980s into the financial misdeeds of the state within the state of Texas and calling for reopening them. Suddenly, in Sissy Farenthold's group of young people, "everything was about BCCI."

BCCI'S ROOTS OFFERED Mark the tantalizing promise of the "authenticity" he hungered for. They ran deep in Houston—to what Houstonians referred to "Mecca" and its owner, Khalid bin Mahfouz, called "Versailles"; to the Golden Rectangle in Houston's downtown that contained, in the coziest propinquity, the offices of George H. W. Bush, Salem bin Laden, Ghaith Pharaon, John Connally, George W. Bush's oil

company Spectrum-7 (later reorganized as Harken Energy), and several of the American banks embroiled in BCCI; to the tangled real-estate schemes of Connally, Adnan Khashoggi, Guillermo Hernández-Cartaya, and Jeb and Neil Bush, as well as a mysteriously agile aircraft leasing company known as Skyways, part of a Texas-based, clandestine CIA air network which featured premium Bush family connections.

Skyways' titular owner was a close Bush family associate named James R. Bath, a former jet fighter pilot and Falstaff to George W.'s Prince Hal from his National Guard days. Its real owner was Khalid bin Mahfouz, the lord of "Versailles," who was not only banker to the Saudi royals but one of the principals of BCCI.[31] In the summer of 1985, bin Mahfouz's family bank, National Commercial, loaned $35 million to Adnan Khashoggi, who simultaneously pumped more than $60 million out of Texas savings-and-loans institutions to finance real-estate Ponzi schemes like the Galleria.[32] Khashoggi's financial adventures, for which US taxpayers ultimately footed the bill, were at the heart of what Joseph Trento called the nexus between the Reagan-Bush administration's and Kamal Adham's private financial networks: the host of new savings-and-loan institutions which emerged in the mid-1980s and were used to launder intelligence money. The American private network that provided support and money to the Contras was linked to Skyways.[33]

IN THE EARLY winter months of 1986, Mark and Day made an arduous pilgrimage to Austin through a driving, freezing North Texas rainstorm in Mark's aging Aston Martin. The purpose of their mission was to obtain an audience with a celebrated investigative journalist. Based on Karen Wallbridge's revelations about her lamented ex-husband, Mark hoped to convince the newsroom veteran to collaborate on his new BCCI book and give him the stature that he needed to find a publisher.[34] The journalist in question appears to have been Pete Brewton, whose own book *The Mafia, CIA and George Bush*, like the book Mark hoped to sell, broke ground in exploring BCCI's Texas connections. Brewton says he never had any

direct contact with Mark Lombardi and only learned what Mark was working on years after his death.[35] Nevertheless, the author found Brewton's Austin telephone number in Lombardi's files along with a list of interview questions that included his responses. A copy of Brewton's book, personally inscribed by Brewton to "a fellow truth seeker," was among the artist's cherished possessions.[36] Brewton, as we have seen, was a member of Sissy Farenthold's investigative court.

Lombardi, according to his ex-wife, was desperate to find a publisher. He had no credibility as an investigative reporter on his own. Never one to miss an opportunity to network, Mark set out to find an established journalist to be his partner. Steve McVicker of the *Houston Press* rejected his overtures with disdain. (After Mark's death, McVicker unsuccessfully tried to sell a book about him based on the "authentic" experience of having known him.) Brewton, whose tenacious investigations on the shadowy dealers behind the Texas S&L disaster for the *Houston Post* in the late 1980s and early 1990s would become one of the go-to books on financial malfeasance in America, was a more serious bet, but the much-anticipated audience turned out to be nothing more than a casual encounter in a bar. According to Day Barlow, the "gentleman in Austin" had no interest in Mark's work, or in the intriguing diagrams Mark drew on bar napkins and on the paper tablecloth to illustrate his points. After an enormous build-up, Mark was, as usual, shattered with disappointment, and Day, who traveled loyally along on his ups and downs, was shattered with him: It was yet another of the vertiginous letdowns that had become all too frequent in their increasingly tense relationship.

Brewton, who said he "could not help" with this book, suffered considerable hardship in writing his own, one of the first to divulge details of the Bush family relationship to a shadowy, Louisiana-born, Houston-based entrepreneur named James R. Bath, who shielded George W. Bush from several scrapes when they served together in the elite Houston-based 147th Fighter Wing of the Texas Air National Guard

known as the "Champagne Unit" in the late 1960s and early 1970s. Bush's service would provide fodder for later accusations that the dashing young hawk and son of hawks had used his family's influence to dodge the draft for the Vietnam War.

In the interim between February 1989, when the last of Brewton's and fellow reporter Gregory Seay's stories on Mafia connections to the Texas S&L scandal was published in the *Houston Post*, and February 1990, when the first of their stories on the CIA connections to the scandal were scheduled to run, the *Post* was purchased by a "junk bond and borrowing patron,"[37] William Singleton, who appeared to be fronting for Joe Allbritton, the owner of Riggs Bank and a patron of George H. W. Bush by virtue of being First International Bancshares' single biggest shareholder.[38] The rest of Brewton and Seay's stories suffered a slow death by attrition. In an epilogue to the book, Brewton noted that his original editor, the redoubtable Alice Mayhew, expressed dissatisfaction with its contents after he insisted it should be published before the 1992 presidential election when George H. W. Bush would once again be the Republican candidate. Shortly thereafter, Simon and Schuster dropped his lucrative contract, and *The Mafia, CIA and George Bush* was published by an obscure press called Special Publications International Inc. after the election was already in the bag. Despite Brewton's darkest fears, Bush lost the election to Bill Clinton, largely because he had alienated his conservative base by breaking his promise not to raise taxes and the peaceful dissolution of the former Soviet Union made his Cold War foreign policy seem quaint. After it was published, Brewton left journalism to teach.[39]

The story of George W. Bush's National Guard service would turn into yet another example of suicide politics. In 2004, when Bush ran for re-election against John Kerry in the heat of the president's war on Iraq, it would fuel Democratic accusations of draft dodging aimed at Bush versus swift-boating aimed at Kerry and his heroic war record in Vietnam. Sissy Farenthold's old political adversary Ben Barnes would

tell Dan Rather on *60 Minutes* how he procured the young Bush a place in the "Champagne Unit," in which the sons of John Connally and Lloyd Bentsen and seven of Clint Murchison's Dallas Cowboys were parked to keep them out of Vietnam. But the veteran newsman's scoop, midwifed by none other than Farenthold herself, would blow up in his face when the Bush political machine launched an Internet attack that successfully demolished the authenticity of the documents provided to corroborate the *60 Minutes* story. CBS effectively terminated the careers of Rather and his Dallas co-producer, Mary Mapes (although a Robert Redford film, with Redford playing the newsman, will soon give Rather's version of history).

Perhaps the single most contentious issue Brewton brings up in *The Mafia, CIA and George Bush* is that of the Bush relationship to BCCI, much of which was channeled through Bath's business network and through his aircraft leasing company, Skyways. A 1976 trust agreement named James R. Bath as the United States business representative of Osama bin Laden's older brother, Salem. Khalid bin Mahfouz, head of Saudi Arabia's biggest bank and BCCI's single largest shareholder, hired Bath at the same time—just weeks after George H. W. Bush took over as director of the CIA—and in much the same capacity, making Bath in many ways the nexus of the new US-Saudi special intelligence relationship. Investigative journalist Russ Baker notes in his 2009 collective biography of the Bush family that this relationship was never so much as raised in the Justice Department's criminal investigation of BCCI, possibly the most far-reaching financial scandal of the 20th century: "Nothing, however, was ever made of the Bush connection to all of this. Mahfouz's ties to Jim Bath were never raised, and therefore, neither was Bath's connection to the Bush family. It is worth noting that the Treasury Department official responsible for scrutinizing BCCI's affairs in the Reagan-Bush administration was assistant secretary for enforcement John M. Walker Jr.—who happened to be George H. W. Bush's cousin."[40]

All the more astonishing, then, to find a copy of the 1976 trust agreement naming Bath as bin Laden's US interface in the artist Mark Lombardi's voluminous files. Despite his later protestations to dealers, interviewers, and family members that he protected his own safety by producing his drawings only from information that could be found in the public (i.e., previously published) record, Mark's files contain a stash of internal memos from Skyways and other evidence of Bath's work as a go-between for the Bushes and the Saudis—all very hot potatoes for an artist with a mighty mouth, few inhibitions particularly when high, and no background and no substantive connections in investigative reporting to handle. No one close to Mark at that time could explain how he might have come by such potentially incendiary material, with the exception of Bath's former business partner, Bill White, who confirmed that he gave them to him at the time that Sissy Farenthold introduced them.[41]

BATH'S PARTNER FOR 14 years, Charles "Bill" White, who worked closely with Mary Mapes on the *60 Minutes* story, is a former Navy jet fighter pilot with a Harvard MBA who graduated from the Naval Academy in Oliver North's class and fought in Vietnam. He claims to have been a pilot for Air America, the CIA organization that moved drugs and money for the Laotian opium warlords who fought Ted Shackley's war. He also claims that he had top-secret clearance to "deliver nuclear material," i.e., bombs.[42] Lombardi kept a copy of White's Navy flight records among his personal papers.

In 1980, White and Bath formed a real-estate development company together with the encouragement of Senator Lloyd Bentsen's son, Lan, who also partnered with Bath to form Bath/Bentsen trusts. Senator Bentsen, who would become treasury secretary under President Bill Clinton, was deeply involved in some of Texas' messiest savings-and-loan debacles. White, who split up with Bath in 1986 in a vitriolic legal battle, alleged that Bath told him that he had been recruited to the CIA in 1976 by George H. W. Bush, the future president and then-CIA director,

with a remit for monitoring his Saudi Arabian investors who, aside from bin Mahfouz, included Osama bin Laden's older brother, Salem.

The erstwhile partners fell out over a $550,000 loan to Bath from InterFirst Bank to "facilitate aircraft purchase." InterFirst was the new name for George H. W. Bush's Houston bank First International Bancshares. Bath pledged a $500,000 certificate of deposit in Skyways' name (and therefore in that of his partner, White) as collateral; however, a 1986 bank document revealed that the purpose of the loan was to make a down payment on a 25-acre tract of land on Lake Houston. When White refused to help Bath meet the note payments, Bath sued and got a judge to order that White's personal property be turned over to pay off his note. In two major lawsuits, White alleged that Bath misappropriated Skyways' money intended for Saudi-funded ventures, to speculate in Houston real estate for his personal profit. When the Houston real-estate market went down in the same slide that sank the Lombardis, White claimed Bath turned on him rather than tell Skyways' real owners—the CIA and/or Khalid bin Mahfouz—that he had bet, and lost, the ranch.[43]

Bath instigated four criminal charges against White, who was accused of assaulting a 12-year-old boy and a pregnant woman, setting fire to one of the former partners' apartment complexes, and forcing a company employee to file a false insurance claim. According to Russ Baker, disgruntled workers, creditors, the IRS, and InterFirst ganged up on White, pinpointing his liability rather than Bath's. InterFirst alone hit White with 28 lawsuits. When White told a Texas court that Bath and the Justice Department had blackballed him professionally and financially because he refused to keep quiet about his knowledge of a conspiracy to launder Middle East money into the bank accounts of American companies and politicians, InterFirst abruptly changed tactics and offered White a multimillion-dollar package to withdraw his legal battle and stop speaking publicly, but he refused that also on the grounds that it would dishonor his dead comrades in Vietnam.[44] To this day, much of this dispute remains unsettled.

Bill White says that Sissy Farenthold introduced him to Mark Lombardi over lunch in 1986 while she was representing him on one of his interminable civil suits. "We agreed to exchange information," White said, "about why this cover-up, who were the players involved. I was fighting in court. He was drawing diagrams." So was Pete Brewton, with the help of his assistant Rebecca—but without Mark's "artistic touch." As White put it, "The trouble with diagrams is that if you stare at them long enough your brains scramble." Farenthold said that Mark was engaged to draw "raw interlocks," with the added advantage that, unlike Brewton's, Mark's "artistic" diagrams of Bath's convoluted business associations could be read like a narrative, particularly after his tutorial with attorney Leonard Gumport.[45]

Brewton, White says, gave him a diagram of the missing link in the Iran/Contra scandal, which had been found by investigators in North's safe. The diagram described a curious Cayman Islands–based business entity known only as I.C. Inc. Investigators came to believe that the moniker I.C. was an inside joke referring to Iran/Contra. I.C. Inc. handled the incorporation of James Bath's companies in the Caymans and also set up a front company, which collected funds for Oliver North's Enterprise. As evident in Lombardi's four versions of *BCCI—IC—FAB*, the two-backed beast I.C. formed with BCCI, tentacles from I.C. Inc. ran in and out of not only North's private network for funding the Contras but of almost every other covert banking venture created by the C.I.A. What makes Lombardi's drawings even more remarkable is that seasoned investigative reporters from *The Washington Post* could not figure out who was behind I.C. Inc.[46] Brewton said, "One of the unsolved mysteries of Iran-Contra involved I.C., which is drawn in the middle of North's chart . . . outlining the Contra operation and its funding."[47] White gave Mark the Skyways documents so he could fill in the blanks, so to speak. The massive BCCI series, which appears to link I.C. to the Black Eagle Trust, and which defined Lombardi's career, was the result.

I.C. stood for much more than Iran/Contra. According to the Report of

the Congressional Committees Investigating the Iran-Contra Affair, I.C. "became an integral part" of Carl "Spitz" Channell's network at Palmer National Bank through which funds contributed to Channell's tax-exempt National Endowment for the Preservation of Liberty could be transferred to the Contras—or to the Enterprise, part of the shadow CIA established in the late 1970s after the mass exodus of disgruntled, high-level operatives. "Eventually, Iran-Contra revealed the intimate bonds between members of The Enterprise and unelected officials of the National Security Council, the Pentagon, and the CIA"[48]—the intimate bonds that Mark Lombardi was to spend the rest of his professional life re-creating. It is worth noting that, as we shall see, he completed the final version only three weeks before he died.

White says that Farenthold explained Mark's motives to him before she introduced them: He was an artist. His understanding was that she met him through the de Menils "because he was an artist," and that his diagrams would be sold to generate income for him. "He was already thinking of them in commercial terms, as art, at the time."[49] White understood that they were meeting to exchange information. He gave Mark the Skyways documents, and also a copy of Oliver North's diagram of I.C., a Cayman-incorporated company also known as Cotopax, the heart of the Iran/Contra private funding stream and also connected to Bath's Skyways, that Pete Brewton had given to him. The idea, he says, was that Mark would incorporate the names from the documents into his drawings and further expand on them with names he knew and White didn't, in order to complete the interlock.

White and Farenthold were mismatched political bedfellows. White, as he proudly acknowledges, is a right-wing, conservative Christian, by definition uncomfortable around the art circles where Farenthold found much of her support. He did not advocate many of their causes, finding them a "fragmented consortium of special interests—the women's movement, art patrons, people who advocated drug use. The cause I supported was the broader Constitution of the United States."[50] He

understood his usefulness as the purveyor of unique inside information: Farenthold had wide contacts with investigative journalists like Brewton and, later, Russ Baker, whom White hoped would argue his case in the press, and he was prepared to bargain for their cooperation. He feels that she was trying to address "constraints" imposed by the good-ole-boy network on her own career, but that, rather than engage directly, she preferred to work behind the scenes as a matchmaker because she had been "bludgeoned enough" to realize it was a lost cause and, further, did not want to risk her political relationship with Lloyd Bentsen, the most important Democrat in Texas.

Farenthold maintains she never appeared in court on White's behalf, but acted as his advisor. "We used to discuss his plight. I remember the day he just walked in my office. I had an open-door policy at the time. I spent a good deal of time with him. . . . I did what I could. I got him in touch with local reporters [Pete Brewton and Jonathan Beaty]." She does not remember introducing Mark to White, but said, with a certain annoyance, "If I did, I did. Maybe so the two of them could find some common cause."[51] She also says she "doesn't remember" why Mark was doing what he was doing, or if the de Menils paid him for it. "I wasn't in that orbit at all," Farenthold said. She insists that his "diagrams" were raw interlocks only. "I had no idea he was going to put all of this up on a wall."

White explains the discrepancy in their accounts by pointing to Farenthold's party allegiances. "I was afraid I would lose her because the Bentsens were as involved as the Bushes," he said. "She worked pro bono for the common cause. There was only so much she could do on that basis. Most judges in Harris County were Republicans. Sissy felt that the system had a built-in conflict of interest but was more likely to award in favor of generous, campaign-contributing lawyers." Farenthold herself remarked, "When you are an insider, you don't criticize other insiders."

White, one suspects, was more comfortable with the working-class conservative with a small *c* Mark Lombardi than he was with Sissy

Farenthold. When he met Lombardi, White felt the artist was "very sincere" in upholding the same Constitutional principles that he did. White says he tried to give the artist the same guidelines in handling his incendiary information that he gave to others, like Danny Casolaro. He would preface his comments with "better watch out," White said. "I told him there would be a backlash. But he didn't back off. He said, 'Thanks for letting me know.'" But to White, Mark Lombardi was "just another foot soldier" in his own incredibly bitter and protracted battle against the secret government of the United States that had bred him as a fighter.

The files Bill White gave Mark Lombardi contain records, highly sensitive in the aftermath of 9/11, of an extended row between Skyways and the Federal Aviation Administration, which apparently under duress granted the leasing company immunity from standard inspection procedures along with a grudging free pass to fly anywhere in the world. The routes requested by Skyways, whose aircraft included a Boeing 707, were from a base in Luton, England, to Jeddah, Saudi Arabia, with interim stops in Paris, New York City, Houston, Dallas, Miami, and Washington, DC. Shortly before the first Gulf War broke out in 1991, Bath's director of operations requested permission to add operations in Kuwaiti airspace, on the grounds that he could "see a need for Skyways to begin operation into Kuwait soon" in "life or death" conditions.[52]

The objections of the Flight Standards District Office of the Federal Aviation Administration in Houston stemmed from the fact that not only was Skyways noncompliant with certain obligatory emergency ditching procedures, but also its ownership structure was murky. Bath refused to surrender the company's aircraft operating certificate when ordered to do so, or to name the owners of Skyways stock.

On the aircraft managing agreement obtained by White under the Freedom of Information Act, the "Owner" is listed as Exeter Air Limited, a Cayman Island entity apparently controlled by a Mr. Abdullah S. Jaffar, whose mailing address was a Jeddah post office box. Skyways' only client at the time was Khalid bin Mahfouz's National Commercial Bank

of Saudi Arabia.[53] According to White, the turning point in negotiations with the FAA was reached when Gerald Lovell, Bath's director of operations, told the agency to back off because a "Mr. Benson of the House Ways and Means Committee was a part owner of the plane."[54] Soon after, according to correspondence between Skyways and the FAA, found in Lombardi's files, a "top FAA official" stepped in and granted Skyways permission to operate in American airspace, in planes the FAA disclaimed responsibility to inspect under FAR 125, the regulations that govern American commercial and passenger aircraft. In his interview questions for Bill White, Mark asked what that disclaimer meant. In the wake of 9/11, the answer seems redundant. These musty connections would become a matter of intense national interest when bin Laden family members and others in their circle were flown out of American airspace despite the blanket no-fly rule the FAA issued in extreme emergency conditions. As Russ Baker puts it, Jim Bath was "the vehicle through which Osama bin Laden's brother owned a CIA-connected airplane."[55]

Based on the information he obtained from White, Lombardi would later raise the issue of whether another Bath partner, Khalid bin Mahfouz —banker to the Saudi royals and BCCI's largest shareholder who was legally prohibited from owning an American bank—was the real owner of Main Bank, where John Connally and Jim Bath sat on the board of directors. He would also, in visual form, prominently display connections between bin Mahfouz and a number of Islamic charities later suspected of funding al-Qaeda that ran through the mysterious Paris-based Saudi European Bank S.A. (believed to be a subsidiary of BCCI), in which Ed Baker was a limited partner along with Charles Keating.[56] Four years after Mark's death, as we shall see, a leading French investigative journalist and his writing partner, an intelligence expert, would be censured by the United Nations and forced to retract their book *Forbidden Truth*, which made the case that the FBI was hamstrung prior to 9/11 primarily because US officials were unwilling to make an issue of

al-Qaeda's connections to wealthy Saudis.[57] But the issue would not go away. It resurfaced in May 2015, after an imprisoned former al-Queda operative, Zacarias Moussaoui, testified to lawyers for families of 9/11 victims suing the Saudi government, that members of the Saudi royal family including the former intelligence chief Prince Turki al-Faisal Al Saud had funded al-Queda from the late 1990s.[58] Moussaoui's testimony prompted Kentucky Senator and GOP presidential hopeful Rand Paul, in consort with his Democratic colleagues Ron Wyden and Bob Graham, to call for the declassification of 28 pages redacted from the official enquiry into intelligence community activities before and after the attacks. Graham said the evidence would "cause the American government to reconsider the nature of our relationship with Saudi Arabia."[59]

6

"I'LL HAVE TO TELL NEIL HE'S REPRESENTED HERE"

"Beauty is truth, truth beauty—that is all ye know on earth and all ye need to know."

—JOHN KEATS

"Beauty lies in seeing all of the connections."

—EZRA POUND

SOMETIME IN THE LATE 1980s, JIM HARITHAS SAYS HE SENSED a profound change in Mark Lombardi. The "fragmented, suffering, and confused" young man he remembered struggling so torturously had finally found himself—a remarkable statement if, as Day Barlow believes, Jim Harithas was not a part of their lives in the 1980s. Lombardi had more or less dropped out of Houston art circles at that time, and no one knew what he was up to. Harithas, however, was very much a part of the very leftward-leaning inner art loop that circulated around the de Menils. According to Sissy Farenthold, Lombardi was producing raw interlocks for her al fresco group of sleuths, an investigative weapon she had "no idea" he would turn into art. According to Bill White, who understood that the de Menils introduced Mark to Sissy as an artist, Lombardi already knew that his struggle had paid off and that his diagrams would be sold as art to generate income for himself.[1] According to the artist himself, he was taking extraordinary measures to avenge an old slight.

By 1989, Farenthold had a new injustice to avenge. Drug use had been an issue for the Farenthold family ever since Sissy's second run at the governor's mansion: Even the sister of her ultra-conservative grandson, Republican Representative Blake Farenthold of Corpus Christi, had been arrested for possession of methamphetamines and guns. By the end of the 1970s, her greatest vulnerability, her surviving twin son Jimmy to whose recklessness she attributed her trademark prematurely white hair, seemed intent on joining his dead brother by overdosing on cocaine. By the late 1980s, he was addicted to crack. Early in 1989, just as John Kerry was turning his attention from Iran/Contra to BCCI, Jimmy disappeared on his way to a drug treatment center in West Palm Beach. A year after Sissy filed a missing persons report, she discovered her son's name had been removed from the police computer. Her ex-husband, who had recently suffered a stroke, publicly accused her of secretly committing Jimmy, which, naturally, she denied. No trace of Jimmy was ever found, but the shock of another punitive loss seems to have drawn her closer to Lombardi in a peculiar *folie à deux*.[2]

Anger, as the great actress Uta Hagen taught her students, is the powerful energy of the soul put there, like all energy, for good and useful purposes. Jackson Pollock, the icon of the Abstract Expressionist movement, once described his daily artistic process as working through an immense wall of anger until everything went away and, finally, even he went away. Sissy Farenthold put her anger into her politics. For Mark Lombardi, the scrappy outsider whose violent, youthful temper had lost him one shot at becoming an insider, that same anger would become a means of bashing his way back in.

Although Conceptual artist Mel Bochner says that it is important not to confuse an artist's "concept" with his "intent," the concept that made Lombardi into the artist he aspired to be all his life was guided by an intent that was identifiably hostile. It is astonishing to realize Lombardi developed the immensely complex, world-spanning body of work that finally brought him the fame he craved to revenge himself for being fired

from his first big job at CAMH. But that is exactly what he did.

Tucked away in the avalanche of Lombardi's research files is an unpublished article he wrote in 1992. Titled "GB and the Baksheesh Pipeline," it is about the alleged involvement of George H. W. Bush, Adnan Khashoggi, Bush's Interfirst Bank (the successor title to First International Bancshares), and Lloyd Bentsen, among others, in an "ongoing international covert operation designed to funnel *baksheesh*, bribes paid by U.S. companies to agents and representatives of the ruling families of Saudi Arabia, Iran (before Khomeini) and the Persian Gulf states, to bid on and obtain commercial contracts for everything from aircraft to telecommunications services, oil rights to public utility projects."[3] In an addendum to the piece, titled "What's My Angle?" Lombardi said he was motivated by "revenge of sorts" for having been kicked out of paradise, his first, golden job working with Harithas at the Contemporary Art Museum of Houston.

Though neither Mark nor Harithas would ever discuss his fall from grace, in this note he identifies his antagonist as George H. W. Bush and cronies. "In the late 1970s I was working as an organizer of art exhibitions in the Houston area. First International Bank, George Bush's bank, barged into the scene at about this time, effectively vetoing my participation in a large number of projects."[4]

No one in the Houston art world can or will explain his statement—because, as Sissy Farenthold remarks, insiders do not criticize insiders. The answer may lie in the interlocked relationships of one very wealthy donor, Marilyn Lubetkin, a "big-time progressive" who presided over the CAMH board at the time of his dismissal. Lubetkin, according to Mark's ex-wife Day, was instrumental in getting rid of both Mark and his mentor, Jim Harithas. Sources in Houston's art circles say Lubetkin was forced to fire both Lombardi and Harithas by pressure from the board of trustees following their melee at the famous bread-and-Rangerettes jamboree. She could not be reached for comment on a book about Mark Lombardi. Today, in the way things often go down in Texas, Lubetkin

works hand in glove with Harithas on both his Art Car and Station Museums.

PROGRESSIVE IS AS progressive does in Houston. A close look at the CAMH board in the 1970s reveals a surprisingly deep and tenacious interlock with George H. W. Bush and First International in the person of another Sissy, Mrs. I. H. "Denny" Kempner III, who is still chairman of the museum's board today.[5] Kempner's husband, heir to the Imperial Sugar fortune that built an entire suburb of Houston known as Sugarland, was a director of Capital National Bank of Houston, founded by Lovett Baker, first cousin to Bush Secretary of State James A. Baker III; their relationship was close enough for James Baker to serve as Lovett's pallbearer in 2010. Kempner's fellow director at Capital was Bill Barziza, a descendant of the bearer of one of the strangest names in United States political history, Decimus et Ultimus Barziza.

Barziza the Elder was an Italian-American Confederate war hero who escaped to Canada, where he was one of the first to use a network set up by rebel agents and Canadians to smuggle Confederates back to the States. (The rebel agents were covertly supported by a British government that could not allow that nation's booming textile trade to be cut off from access to King Cotton; the great Gladstone himself supported the Confederacy.[6]) When Barziza resettled in Houston, he brought Canadian and British banking contacts with him, eager to re-colonize the booming frontier commodities trade, a pattern that would repeat itself with George H. W. Bush and his entry into Big Oil country in the 1950s backed by Scottish and British energy interests. Barziza founded the state's first trust company, Houston Land and Trust, to market and register securities relating to the cotton and lumber trades as well as hold their mortgages and financial instruments in trust. Houston Land and Trust later merged into what became George H. W. Bush's après-CIA bank posting, First International. Mark Lombardi was well aware of the connection, for he kept a copy of Houston Land and Trust's

title-change document in his files.

According to Joseph Trento, "The ties between [former head of Saudi intelligence and principal of BCCI Kamal] Adham, Bush, and Shackley went directly to Bush's connection with Dallas-based First International, the single largest holding company in Texas."[7] First International was George H. W. Bush's first stop after Carter asked him to resign as director of the CIA. Twenty-six senior officers of the Directorate of Operations went with him when he set up shop at the Houston branch. Abbreviated as FIB, First International spanned the worlds of intelligence and oil finance. Russ Baker calls it George H. W. Bush's "government-in-exile." Bush Sr. never could remember just exactly what it was he did there when put to the question by journalists and members of Congress, but Jim Bath's former business partner Bill White said his job was to bring in Saudi business to the bank.[8] One of the responsibilities he was most inclined to forget was his appointment in February 1977 as chairman of the board of FIB's London merchant banking branch through which, according to the Senate BCCI investigation, Kamal Adham's petrodollars and BCCI money funded a number of Shackley's off-the-books intelligence operations for the next decade.

First International was intimately connected with the Bass, Murchison, and Hunt oil dynasties as well as Joe Allbritton's spook-riddled Riggs Bank, which held the account for the Saudi embassy in Washington. Prudent banking, however, was not high on First International's agenda: In 1983, it announced a quarterly loss of $249 million dollars, at that time the biggest in American banking history. After the $3.5 billion federal bailout that resulted from the bank's ill-advised attempt to ingest its competition and become the biggest commercial bank in Texas, a tiny hatchling, Main Bank—where Jim Bath, Khalid bin Mahfouz, and another principal BCCI investor, Saudi billionaire Ghaith Pharaon, were principal investors along with John Connally—carried out its other agenda: publicly creating a joint banking venture between Saudis and Texans and, coincidentally, marrying Saudi

geopolitics with US covert operations funding.[9]

Mark Lombardi created a walking map for Sissy Farenthold's investigative collective, graphically illustrating the close and informal nature of these connections, which were predictably light in documentation. It conjures up an amusing but scary picture of Lombardi in his HotShot delivery truck spying on the spies, who could not have been unaware of his scrutiny. No. 1020 Holcombe, where Jim Bath, Bill White, and Salem bin Laden all had their offices along with one of their lenders, Fannin/Interfirst Bank, was steps away from 1801 Main, where George H. W. Bush and his 26 ex-spooks had offices at First International Bank, as well as Spectrum-7, the troubled company that merged with W.'s Harken in 1986. No. 1200 Main, headquarters of Main Bank, where Jim Bath, Khalid bin Mahfouz, Saudi billionaire Ghaith Pharaon, and Nixon's former treasury secretary, John Connally, were all principal investors, was another stroll away from 1004 Main, where Bath's real-estate business partner Lan Bentsen was to be found. Another short walk to the east would bring the corruption tourist to a stretch of Louisiana Street where Interfirst, BCCI, George H. W. Bush's oil company Zapata, and Baker Botts, the powerhouse law firm that represented the Saudis and where George H. W. Bush's secretary of state and Reagan's treasury secretary, James Baker, and George W. Bush both worked (one as partner, the other in the mailroom), had their offices and where Lombardi observed their denizens in their natural habitats.

The Kempner/Bush interlock is in many ways a snapshot of the deep alliances forged by George H. W. Bush when, fresh from his post-Yale apprenticeship at Dresser Industries (an oil-services provider known to function as cover for the CIA as well as innovative tax strategies regarding the "repatriation" of offshore earnings), he supposedly rejected the easy path to Wall Street and pointed his red Studebaker toward the West Texas oilfields and the launch of Zapata Petroleum. In point of fact, the well-connected young Bush functioned as a crucial link between the Eastern (banking) establishment, the Eisenhower administration and its

military build-up, and the new oil money of West Texas.

Capital National Bank, formed in Houston in 1965, joined forces with the Swiss Paravicini Bank in 1969 to form a new Swiss entity, the Bank for Investment and Credit, Berne (BICB). Johann Frederich "Fred" Paravicini, scion of Venetian banking aristocrats with strong ties to Britain, headed the bank with vice chairman L. F. McCollum, chairman of Capital National. Its investors included the Canadian-based Bronfmans of Seagrams Liquor—whose US interests were fronted by another Bush-friendly entity, Empire Trust—and Brown and Root, acquired by Halliburton in 1962. The Bronfmans were to figure prominently in one of Mark Lombardi's drawings, *Gerry Bull, Space Research Corporation, and Armscor of Pretoria*, about the connections of the inventor assassinated while building the Babylon supergun for Saddam Hussein. The Bronfmans purchased the land in Vermont where Bull originally tested his long-range weapons. One of Capital's directors was George H. W. Bush's close friend and trustee of his blind trust, William Stamps Farish III, the only grandson of the founder of Humble Oil, which begat Exxon. The Kempners and the Farishes, in the grand tradition of Texan interlocking directorates, intermarried. They sat on each other's boards, fraternized in each other's clubs, and didn't care so much about political denomination as they did about getting—and staying—rich.

The clannish, secretive, inbred world of what has been called the "Texas Raj" was a good match for the world of "Our Crowd," the great German-Jewish banking families of New York. In the 1950s, they made a marriage of convenience that became the template for more strange bedfellows to come. Empire Trust, a "New York–based bastion of power and wealth,"[10] known today as the "banker's bank," the Bank of New York, became in many ways the financial arm of the Texas oil industry's state within a state. A number of Kempners invested with Empire Trust, and a Kempner was nephew to its chief, John Langeloth Loeb Sr., who with uncanny timing managed to complete the sale of his other company's major holdings in Cuba the day before Fidel Castro came to

power. That other company, Loeb Rhoades, became Shearson Loeb Rhoades in 1979, and then, in 1981, Shearson/American Express, which acquired Lehman Brothers. Among his other honorifics, Loeb Sr., who died in 1996, was a trustee of the Museum of Modern Art, a pillar of the Harvard endowment, and Edgar Bronfman Jr.'s grandfather. Loeb's wife, Frances Lehman, was a direct descendant of one of the three original founders of the ill-fated eponymous investment company.

It is, as people in the art world have remarked, a great shame that Mark Lombardi wasn't alive in 2008 to draw the supernova of Lehman Brothers. In an eerie footnote, Jeb Bush would be involved in attempts to rescue Lehman Brothers in 2008 at the same time that his cousin, George Walker IV, was involved in its downfall. Walker IV would surface after the fall as chairman of the venerable "partner-owned" Neuberger Berman, one of the last bastions of independent wealth management left in the country, which was sold out of the Lehman bankruptcy at a bargain-basement price.

In the 1930s, Lehman helped finance the rapid growth of the oil industry, including that of Halliburton. Loeb's son, John Langeloth Jr., sat on the board of Holly Sugar, a subsidiary of the Kempner family's Imperial Sugar (he is also, curiously, a commander of the British Empire for services to the Winston Churchill Foundation). Empire Trust's legal affairs in Texas were handled by Baker Botts, the powerhouse law-firm and political fixer founded by James Baker's family. Charles Leslie Rice, president and chief executive officer of Texas-based Gulf States Land and Industries and a Princeton protégé of Empire chairman Dean Mathey who later became chairman of the Bank of New York, served on its board along with Lewis McNaughton, a director of Prescott Bush's corporate fiefdom Dresser Industries, also later acquired by Halliburton.

Equipped with what historian Stephen Birmingham in *Our Crowd: The Great Jewish Families of New York* called "something very like a private CIA,"[11] Empire financed a Cuban oil venture known as the Cuban Oil Voting Trust and Trans-Cuba Oil Company, for which Rice served as

a voting trustee, to "assure continuity of management and stability of policy for shareholders of twenty-four oil companies in South America."[12] In the years to come, this extra-governmental alliance would assure discontinuity in management and instability for everyone but their shareholders. According to Russ Baker, the oil-generated elites of Dallas and Houston would become the leading funders of off-the-books covert operations in Latin America, beginning with plotting overthrows of Latin American and Caribbean leaders in the 1950s and continuing, under George H. W. Bush's aegis, with Iran/Contra in the 1980s.[13] As such, they were integral to the functioning of BCCI.

In fact, the bizarre thing about the Kempner/Bush interlock is that it leads straight back to 12-year-old Mark Lombardi's original fascination, the death of his young President Kennedy as well as to the shadowy outlines of Gladio. In 1949, New York Senator Herbert Lehman (of the Lehman-Loeb clan) created the "Crusade for Freedom" with Gen. Lucius Clay, which, through Radio Free Europe and Radio Liberty, became a conduit for laundered money to be sent to "freedom fighters" in Eastern Europe. As Baker says, "This was a forebear of later CIA money-laundering operations, including Iran-contra, in which Poppy [George H. W.] Bush played a hidden but significant role. . . . Members of the Texas Crusade for Freedom would become a who's who of Texans connected to the events surrounding the assassination of John F. Kennedy."[14] Baker draws an even closer connection between JFK's assassination and the "silent coup" that removed Richard Nixon from office: Both presidents fought to eliminate the oil depletion allowance, a large and automatic tax deduction to compensate for dwindling assets in the ground, and a birthright in the hearts and minds of Texas oilmen.[15]

IF, AS EZRA Pound remarked, beauty lies in seeing all of the connections, it was a nuclear option in the hands of an artist struggling—amid the fumes of alcohol, pot, raw egotism, and frustrated aggression—to find himself. Forbidden knowledge of the clandestine alliances between

master class and underworld gave him a giddy rush of power, a weapon against the fraternity that had disadvantaged him, and, at least in the beginning, the sense that he was invulnerable. It was Mark Lombardi's peculiar gift to find his artistic voice in what was intended to remain silent.

In his last years, he would become known for his inability to shut up, for a peculiarly obsessive machine-gun narration of his drawings that prompted one fellow artist to remark, "Maybe he couldn't stop talking about these connections because he didn't have any real emotional ones. He became his work."[16] Perhaps there was something more at stake than the struggle of an artist to find a unique brand of expression. His voice was his connection to the world: Without it, he was to tell an interviewer some years later, "I felt like some kind of schizophrenic."[17] That may be the common fate of most people without voices, but it is funny, and sad, and more than a little chilling, to hear Lombardi describe his big breakthrough as "all about me": "The painting and writing had little relationship to one another, and I felt that something was lacking from both. I kept thinking I needed something, some type of medium or vehicle of my own devising, that would unite the two, and now, with this schematic form, I had it. . . . It was all about me, incorporated everything I wanted to say in a manner I felt totally confident about."[18]

He was too drunk on his own creation—on distilling a 12-year-old's raw flailing at injustice into what Texas master painter Richard Stout would later call "coldly elegant arrangements . . . underscoring the evil he exposed"—to worry that the people from whose misdeeds he created his artistic process might find their silent ways to turn his anger back on him.[19] It was too delicious to revenge himself on the Bushes and their pretensions to culture by putting their business connections up on a gallery wall where everyone, including potential investigators and prosecutors, could see them (Lombardi had Senator John Kerry's and Robert Morgenthau's office staff on his encyclopedic invitation lists), particularly in the limelight of a hotly contested presidential campaign. It

would be an even more delicious joke on the art establishment he both loved and hated, and which had cut him loose in such a cowardly manner, to dress up a prosaic accounting tool in the Emperor's New Clothes of Conceptual criticism and make it into art.

There could be no neater means of winning back Harithas' esteem, the ultimate macho accolade—or of drawing closer to his great friend, Sissy Farenthold. Mark could also aspire to Colab, a New York–based collective art movement that engaged in political protest as part of its manifesto: In 1980, for example, a number of its members emulated Puerto Rican activists and seized a building on the Lower East Side. Jim Harithas was interested in Colab. Colab was a ticket to New York and its art circles. Curtis Lang was affiliated with Colab.

MARK WAS ONE of the very few people left in Houston who maintained contact with Curtis Lang after *Bravo*, the magazine they attempted to start up together, folded. In fact, he struck up a new relationship. Between 1990 and 1992, Lang published a series of investigative articles in *The Village Voice*, a credential that would not have failed to impress Mark. Lang's stories parallel both Pete Brewton's and Mark Lombardi's work. He claims his efforts predate both. One of his (cover) stories for the *Voice*, published in 1992 when Pete Brewton's book *The Mafia, CIA and George Bush* came out, was titled "Bad Company: How Speculators, Spooks and Con Men Helped Build the Bush Dynasty." Lang took on such topics as the tangled finances of George W., Jeb, and Neil Bush, grandfather Prescott Bush's selling bonds to Americans that built up the Nazi military empire, and the role Bush cronies played in the Texas S&L collapse. His pieces read like narrative text to some of Lombardi's most sensational drawings: the foundations of George W. Bush's Arbusto Oil and its merger with Harken; the mechanics of Bush's relationship with airplane broker James R. Bath; and Jeb's business relationship with bad-boy banker Guillermo Hernández-Cartaya of the World Finance Corporation.[20] "They helped each other out," said Ibsen Espada, Mark's

close friend and fellow artist. “They talked about these underground scams on the phone and Mark would make his little doodles—just like the Jackson Pollock movie, when Pollock discovers his drip technique. Curtis was using Mark’s research and vice versa.”[21]

Lang declined to be interviewed for this book.[22] However, “GB and the Baksheesh Pipeline,” the unpublished article found in the artist’s files at his gallery, sheds considerable light on their working relationship.[23]

“My participation in this story begins in March 1992 when CL, a reporter at the VV who has written on both the S&L debacle and the business affairs of the Bush family, called to tell me about a man he had interviewed in Houston, Bill White. White, an Annapolis graduate and former Navy pilot, was alleging that his ex-employer, Jim Bath, was running a CIA proprietary involved in various forms of skullduggery. Bath, White alleged, was ‘fronting for Arab money,’ ‘bribing American politicians,’ and providing aviation services for CIA and BCCI related activities. . . .

“CL and I then met to confer. I added a bit that I knew about the story He left me with a few articles to read, a copy of the taped interview with White, and a few leads and told me to check it out. . . .”[24]

But Mark already knew White through Sissy Farenthold and her group. As we have seen, he kept these relationships secret. The “bit” that he knew about White’s story came directly from White, as did the files White put into Mark’s hands. Why he chose to disguise their relationship in turn sheds new light on Mark and his propensity for behaving like, well, a spy. Mark was not the implicitly passive foot soldier that White, and perhaps Farenthold, believed him to be. He was quite capable of extracting information from those who thought his role was to provide it to them and putting it to work for his own purposes. He had an extraordinary ability to compartmentalize his relationships: It is possible that even Lang didn’t know that he knew White and Farenthold. Even Day Barlow never knew of his 10-year relationship with Farenthold. “Mark had all these different groups of friends, but he was really, really good at

keeping them separate," said Ibsen Espada, who knew him as well as anyone. "That's what made Mark Mark." Silence, exile, and cunning were as essential to his development as an artist as they were to James Joyce.

Day had left her corporate job and was running her own business from home, which would have made keeping secrets next to impossible were it not for Mark's delivery jobs. "Mark was running around working for HotShot and I was out and about with friends and business things at night," she said. "Who knew what he was up to?" In August 1992, Mark and Day marched with a group of protestors on the River Oaks home of Enron chief Ken Lay to voice their disapproval of the Republican National Convention nominating Lay's crony George H. W. Bush for re-election as president.

In fact, Day was entirely ignorant of the fact that Sissy Farenthold had just ushered her husband, along with Bill White, inside the big tent at Houston's Astrodome, where the strident tone of the social conservatives was to play a major role in blowing George H. W. Bush's shot at a second term. By then, Farenthold said, they were "good friends"—good enough for her to introduce Mark to Alexander Cockburn, the celebrated Anglo-American Marxist journalist who wrote for both *The Village Voice* and *The Wall Street Journal* and was famous for his vitriolic criticism of Iran/Contra and the first Gulf War. Mark, according to Farenthold, wanted to woo Cockburn to collaborate on his BCCI book, but Cockburn, generally unreceptive to "conspiracism" and particularly to theories related to the Kennedy assassination and, later, 9/11, was cool to Mark's eager—perhaps over-eager—proposal. His rejection finally catalyzed Mark's transformation into an artist.

Curtis Lang left Houston in a hurry after his Bush stories appeared in 1992. Fellow Houstonians say that Lang was harassed by the police and threatened with dire retaliation after his stories on the Bushes, "It's Oil in the Family" and "Will Family Scandals Sink George Bush?" appeared in *The Village Voice* in 1991 and 1992. He was, in effect, run out of town. "That's the way things happen in Houston," said Mark's friend, fellow

artist Jim Hatchet.[25] Sissy Farenthold might concur.

Mark may have been obfuscating to protect his friend and/or using his friend to protect Farenthold, but he also scented opportunity. Pete Brewton's book, which Mark viewed as a competitor to his own, appeared around the same time Curtis Lang left Houston. So did Jonathan Beaty's *The Outlaw Bank: A Wild Ride into the Secret Heart of BCCI*. Lang earned little but censure for his stories. Mark realized that he could, as his friend Jim Hatchet put it, "build a better mousetrap" by incorporating the thankless task of investigative research into drawings that were already yesterday's news but would be considered fresh and shockingly original in the art world. He would do this, literally, by redrafting the interlocks he had already drawn for Sissy Farenthold into aesthetically pleasing terms, thereby creating a big surprise for Farenthold herself.

Although they can take several forms, such as a flow-of-funds chart, interlock searches most often follow a pyramid structure, comparing a lot of companies at the bottom where the base is wide until the true players emerge at the top. Interlock searches have a lot of practical drawbacks in litigation or even as a law enforcement tool. Companies must be observed changing hands over time to see how relationships ebb and flow and merge together, and it takes years to get the top players. Moreover, the searches became increasingly unpopular in the age of the multinational corporation. But, for an artist like Lombardi, who was noted for his enthusiasm for and skill at research, their very obscurity presented a unique opportunity to reclaim Conceptualism from the academy that had hijacked it in the mid-1980s.

Lombardi used horizontal timelines to create more fluid and hence more dynamic search structures and, ingeniously, gave them a consecutive narrative thrust by "buttoning" each drawing to the next with a middleman figure that made his entire body of work, as the artist put it, "one continual drawing in my head." The great tragedy of Mark Lombardi is that, now, not only is his head gone but his body of work has been broken up so that it is only with the greatest difficulty that the entire

narrative can be reconstructed.

In his notes, I found an unpublished manifesto in which he defies the protocol of Conceptualism by making clear his intention as an artist to surpass the limitations of investigative journalism (which was beginning its long slow death from starvation of funding at the time) to "go deeper" and detail connections more fully than the capabilities of publishing allowed, to "seek to improve every aspect of the process" by "compiling and organizing info (Internet, govt doc, legal docs)"; "interpreting product gathered" from banking, finance, and law; and "clearly conveying" the information by means of drawings which, anticipating Julian Assange by at least a decade, were "geared to a larger market," i.e., conversion to public use through computer-generated images which Mark proposed to model, despite his and his dealer Joe Amrhein's later declarations that he cared little about the new medium of the Internet.[26] I also found a copy of *Interlock*, financial writer Mark Hulbert's how-to on the subject.

Mark withdrew into the basement of the home he shared with Day, into an obsession that, increasingly, excluded her. His big idea, the one he had been pursuing, consciously or unconsciously, since the Kennedy assassination when he was 12, was to connect all the scandals of his generation into one huge interlock. He would do this by cunningly recycling his BCCI book research, tracing the players backward to the 1960s and even earlier, and then forward to the present day. His first New York dealer, Deven Golden, said, "Everything Mark did is one large drawing—there's usually one figure that connects one drawing to the next. All of the drawings originally came out of two boxes of three-by-five-inch index cards, the two file boxes on BCCI. BCCI is the ur-drawing. Lots of players are in BCCI and then they branch out. The Bush family is in most of them, in *World Finance Corp.*, *Iran/Contra, Neil Bush/Silverado*. The connective figures are usually the bagmen that allow people to connect up and money to change hands. . . . Essentially, the Bushes have been bagmen for decades."[27] As we shall see, Golden's

thesis is borne out by close examination of the artist's third version of his BCCI masterwork, which would be severely water-damaged in a mysterious studio flood. In it, Lombardi linked all of his drawings together on timelines which show how their subjects all fed the growth of BCCI.

According to Pete Brewton, Jeb Bush narrowly escaped conviction for fraud associated with the failed S&L Jefferson Savings along with Guillermo Hernández-Cartaya and business partner Camilo Padreda with help from the CIA. Neil Bush presided over the board of directors at Silverado, another looted S&L. Brewton says that Bush Sr. won the 1988 presidential election by successfully keeping both failures out of the public debate.[28]

The cards are for the most part a hybrid of standard historiography and filmic storyboarding, which Mark condensed into bullet points of essential information and then carefully alphabetized. Once he had assembled enough data on one of his subjects, he began sketching by placing the relevant index cards detailing specific connections next to the drawing-in-process, then organizing them into larger, aesthetically pleasing networks using a horizontal timeline and a drafting instrument known as a French arc for the sake of what he called "compositional unity."

As we have seen, Lombardi called his postmodern interlocks "narrative structures," suggesting they were visible narratives that can be read just the same as a newspaper story. Small circles in his drawings identified the main players in his scenarios—individuals, corporations, and governments—along the timeline, with arcing lines showing personal and professional links, the often-dramatic curvature suggesting what is known as the "arc" of a dramatic scene. Solid lines or arrows traced influence, dotted lines traced assets, and wavy lines traced frozen assets, like those of the shah of Iran.

By further use of the French arc to connect different sets of players, Lombardi extrapolated the boxy or pyramidal forms of conventional

interlock charts into arcing bursts which could be taken for the trace-patterns of Fourth of July fireworks or the constellations of a summer night sky until the viewer realizes, particularly in the later, more elaborate drawings, that he or she is looking at a visualization of the distortions created by corruption in the global (literally, globe-shaped) economy.

In the French arc, Lombardi finally found a way to compensate for his lack of technical drawing skills, using it to transform his weak and squiggly sketches into dramatic supernovas that strongly evoke the explosion of the natural financial order by some uncontrollable force. No one could tell me if Lombardi was aware of the French arc's other uses. It is commonly used to construct Fibonacci spirals, a logarithmic geometric form with many applications in parallel computing and quantitative analysis, particularly in attempting to predict market pullbacks. (In financial charting, Fibonacci arcs are created by first drawing an invisible trend line between two points, usually the high and the low in any given period, and then by drawing three curves that intersect this trend line at the key geometric proportions of 38.2 percent, 50 percent, and 61.8 percent; the results do resemble elements of Lombardi's drawings. They are based on a mathematical sequence named for an early contemporary of Leonardo da Vinci's, the mathematician Leonardo of Pisa, also known as Fibonacci, governed by the rule that each number be the sum of the two preceding numbers, and popular in so-called "mystical mathematics" relating to proportionality, such as the golden rectangle Renaissance artists used to arrange picture elements in their paintings, and the golden ratio which supposedly mandates natural processes like the number of petals on a flower or the spiraling leaves of an artichoke. Whether Lombardi was trying to conceal a kind of da Vinci code in his drawings or simply trying to correct his wobbly draughtsmanship is unknowable to this day.

Lombardi once joked to his friend Andy Feehan that you could tell people the truth and few would really care. In that sense, his insistence

that he was "only interested in creating traditional objects of beauty, available for contemplation without theoretical buttressing" is tongue-in-cheek, an invitation to a prankishly exciting but dangerous game of hide-and-seek. But Richard Stout, a very different artist now in his 80s and representing possibly the last generation of painters with a fluent understanding of the classical heritage of Western art, sees a universal beauty in Mark's work. Stout, whose masterly paintings are also defined by geometry but which move from real to surreal through scrims of gemlike color and the meticulous perspectives of Dutch interior painting, pays high tribute to what the younger artist, after years of struggle, finally found in his "voice":

> Beauty is truthful in that it shows everything and it guides. It has form, and composition. . . . It has elegant proportions. It's extremely subtle. Beauty starts in the eye and completes itself in the mind—very important in terms of Mark's work. It is a thought process, a very pointed thought process. There is an ephemeral quality to it . . . like a spider web resting in your garden. You see that kind of delicacy in Mark's work. Often evil things are invisible because the people committing it make themselves invisible. Mark's work is a snare. Like the spider web, it is beautiful, but it's there to trap its prey. As a snare, it brings him back to the natural world, and that is beautiful.[29]

Or, as a critic more breathlessly put it: "Their fragile wholeism is poisoned by the sinister and cynical events they describe—acid rain erodes the snowflake, the pattern is upset, inquiry must be renewed. As stories about reality, Lombardi's drawings offer a kind of wish-fulfillment for the confused but honest citizen—'Can you show me how this works?' In a way, he can. But, on a deeper level of course it is not that such concerns about democracy and disclosure, pleasure and design, are ever answered."[30]

The art critic might have been speaking for John Kerry's Senate investigating committee on BCCI. In 1994, just as the committee lamely wound down its probe of how the rogue bank manipulated the commodities and securities markets by acknowledging that it lacked the resources to complete it, Lombardi produced, at white-hot speed and as if on cue, a series of eight drawings that were a laundry list of the leads the Senate said it lacked the resources to explore. They include the relationships between BCCI and Banca Nazionale del Lavoro, the large state-owned Italian bank that collaborated with US and British intelligence in a plan to finance the Iraqi arms buildup of the 1980s (*BNL*). They also include links between the bank and late CIA Director William Casey (the first version of *BCCI-ICIC-FAB*); the extent of BCCI's involvement with Pakistan's nuclear program (*Gerry Bull*), and the dealings of its directors with fraudulent S&L chief Charles Keating on which Lombardi is shockingly explicit in view of future Fed chief Alan Greenspan's endorsement of Keating (*Lincoln* verso: *Silverado*).

Much of his vertiginous work jag came from personal frustration. His relationship with Day, which despite his poor behavior he treasured, was coming apart at the seams. His anger at being ignored by the art establishment as he inevitably aged aggravated his predisposition to live on alcohol and overextended credit. His financial problems mounted. Though he tried sporadically to give up drinking and to spend responsibly, he succumbed periodically to the feeling that his paltry earnings were chump change next to hers, and he ran up tabs at Houston's rich array of what his wife called "titty bars."

Sometime in the early 1990s—Day is vague on when and he and his family, with the exception of Shirley, were not in touch—Mark moved out of their home on Schuyler Avenue and into an apartment of his own, where he attached himself for spaghetti dinners and sympathy to the couple that lived upstairs, a playwright and his wife, an artist-director named Jewell Homad. Neither Mark nor Day wanted to give up the tie of marriage, but divorce seemed somehow inevitable. Day started seeing

someone else. “It took a long time,” Day said. “I wanted it to be amicable. So when he would call me, angry, I would just say, ‘I can’t talk about this right now.’ Then we would try again. I don’t know if you’ve ever been divorced. People get angry and say things that they wouldn’t say under different circumstances. And yes, he did want to get back together. He did—and he didn’t. And I did, and I didn’t. So it ended up being more didn’t.” They were still highly attracted to each other, but Mark’s attraction to Day was toxified by wanting to be with her while he wasn’t yet where he wanted to be himself.

As Day wryly put it, there were other things going on. In 1994, another stray showed up on their doorstep—Mark’s 15-year-old son. He was named Mark Anthony, just like his father, M. A. Lombardi. Up to that time, Mark was unaware that he existed. The Houston courts mandated DNA testing, and Mark, accepting the fact that young Mark Anthony was his, agreed to pay the boy several years of back child support. Day, Mark’s family, and his friends say they never knew who the mother was, a one-night stand Mark had met in a bar shortly before he met and married Day. Karen Wallbridge denies that she ever had a physical relationship with Mark Lombardi. But a fragment of an autobiographical play, found in Mark’s personal papers and, his father said, a collaboration between Mark and Jewell Homad, identifies an “adulterous error,” delivered to the door of Mark’s “then-new Texan home” by a character called Karen—his “beautiful girl,” his muse.[31] The play fitfully captures the sexual tension between Mark and Karen Wallbridge like a firefly in a bottle: “I am the girl oddly touched by your ability to ab-stain. My truest importance to you hiding in simpler reasons. Total synchronicity to be later revealed after art degrees and Rome”—where Karen Wallbridge attended art school—“and my adulterous error’s delivery to your then-new Texan home. That time your marriage vows you did obey. . . .”

Day helped Mark meet his financial obligations with his son[32] because it was the “right thing to do.”[33] The state also mandated regular

visits. “It was very awkward,” Day said. “No one knew how to behave. Here’s this man, who’s supposed to be his father, whom he’s never met. And here’s this woman—me.” Mark Anthony Jr. wanted to be a pilot, so Mark and Day, to fill up the awkward silences, would take him flying. The boy was a whiz at simulating flight patterns and procedures on his computer. “Mark was really proud of that boy,” Jim Hatchet said.[34] “He would watch him on the computer and say, ‘There’s my intellect at work.’”

In 1996 Paul Schimmel, now chief curator at the Los Angeles Museum of Contemporary Art, returned to Houston to jury a blind exhibition at the Lawndale Art and Performance Center. Among the anonymous entries was a small, oddly pretty diagrammatic drawing entitled *Neil Bush, Silverado, MDC, Walters and Good* that, as the *Houston Chronicle* put it, “mapped the complicated relationships of Neil Bush and the failed Silverado Savings and Loan in Colorado” in such a way that “Naturally, the piquancy of the subject contributes to the intricacy of the visual experience.”[35] “When I saw this obsessive-compulsive chart, filled with facts and paranoid fantasy—there was nothing like it,” Schimmel said. He awarded it a prize and was astonished to receive a phone call from his old frenemy, Mark Lombardi, who according to Schimmel said, without any intentional irony, “how much it meant to him, that I had picked him without knowing it was him. It was his first big recognition.”[36]

As part of his prize, Lawndale invited Lombardi to exhibit his first solo show in November 1996 at a big show comprising 26 drawings, including *Charles Keating, ACC and Lincoln Savings*; *Banca Nazionale del Lavoro, Reagan, Bush, Thatcher and the Arming of Iraq*; *BCCI, ICIC and FAB*; and *Adnan Khashoggi and the Triad Establishment*. Another two drawings, *Bill Hernandez and World Finance Corp. of Miami, Florida* and *Neil Bush, Silverado, MDC, Walters and Good*, put the embarrassing financial relationships of Bush sons Jeb and Neil up on a gallery wall, where everyone in Houston could see them—and talk about

them.

Friends said that Lombardi saw a big local car dealer, Lester Marks, staring at the Neil Bush/Silverado drawing. Lombardi asked him how he liked it, and Lester said, "I'm taking a new car over to Neil's house. I'll have to let him know he's represented here."[37] Houston legend, which the author has been unable to verify, has it that Neil Bush bought the drawing out of the show. (After Lombardi's death and when his values began skyrocketing, Marks did buy one of his Iran/Contra drawings from Ibsen Espada for $5,000. As part of the sale, he demanded confirmation from Espada that it was Lombardi's work, and that Mark was Espada's friend).[38]

One conspicuous no-show at the Lawndale opening was Lombardi's good friend and patron Sissy Farenthold. As soon as the limelight hit his work, their relationship became more distant. Farenthold said, "I looked on, and I marveled at his success." They had no more direct contact once Lombardi moved to New York, hot on the heels of that success. "Selfishly," she said, she regretted his decision to move. "I missed our talks."

At the Lawndale show, Mark sat down Shaila Dewan of the *Houston Press* and told her the story of Karen Wallbridge but coyly deleted the names of the characters that everyone in Houston's clubby, gossip-ridden inner circles would know: ". . . a wealthy investment broker, who later disappeared. . . . The man's clients included a major Saudi Arabian bank on whose board sat a prominent Houston lawyer and an ex-governor of Texas . . . the executor of the missing man's estate later became the partner of a major Saudi operative, who . . . acted as a bagman for Middle Eastern royalty." Also on the board of the bank, said Lombardi, was a man who "owns a major bank building in downtown Houston and figured significantly in another failed S&L." Dewan, who later became a financial reporter for *The New York Times*, used the story as the lead in her review of the show.

It is difficult to judge whether Lombardi was admirably Quixotic or

rashly stupid; perhaps he was a little bit of both. It was the revenge of the little guy, but if Mark Lombardi was, as Robert Hobbs saw him, Jimmy Stewart, he was Jimmy Stewart on alcohol and other drugs in an increasingly undemocratic America. But he had been given this shot at the top, and he was taking it. "He would keep at it and keep at it," Day Barlow said. "He wouldn't stop. He was scared, but not that scared. . . . I think, ultimately . . . there was a part of him that wanted to be in New York City. And, you know, someone that people would want to talk to, and talk about. It was a way up. And when it ultimately became art, that was the icing on the cake."[39] Day did not come to Lombardi's opening, though he invited her. Mark Anthony Jr.'s materialization had been the final straw on the back of their marriage. In October 1996, Mark and Day's divorce became final. The loss of his emotional grounding was immediately followed by the smashing success of the Lawndale show in November, another at Robert McClain & Co., and a royal invitation from the prestigious Drawing Center in New York to take part in a group show the following January. A new friend, New York artist Fred Tomaselli—who was doing similar work making "chemical celestial starmaps," portraits made out of pills based on his sitters' drug histories which were "all about organizing information,"[40]—generously told Lombardi about a Williamsburg dealer, Joe Amrhein, who would be perfect for him, and invited Lombardi to live in Brooklyn. Even Jim Harithas realized that his former student and employee was a big feather in his cap, a feather he could not escape wearing. Harithas financed Andy Mann's video "Self-Interview" with the suddenly rising "young" artist in his Houston studio.[41]

Poignantly, Mark and Day met for one last dinner and exchanged fountain pens, their promise to stay in touch. He gave her two of his drawings, as mementos, as insurance, as a form of taking care of her. She will not say which ones. "After everything that happened, I just put them away," she said. "I'd rather no one knew which ones they are." Espada and Hatchet threw a party and helped him pack up the night before he

left. Like Hansel scattering breadcrumbs in the forest, he gave Espada the Iran/Contra drawing and for Hatchet he left a sketch for his Charles Keating/Neil Bush verso. He was on his way to New York City at last, in his battered but still jaunty Alfa Romeo.

7

THE OLDEST EMERGING ARTIST IN NEW YORK

"When the gods wish to punish us they answer our prayers."

—OSCAR WILDE, *AN IDEAL HUSBAND*

"Be careful what you wish for."

—EMINEM

IN APRIL 1997, MARK LOMBARDI BECAME A TRUE NEW YORKER by signing a lease on a dark, virtually windowless 300-square-foot apartment at 435 South Fifth Street, a rundown, ambiguously residential building in an "emerging neighborhood" populated largely by Dominican gangs. The building was "porous," according to Sam Orlofsky, a Columbia art student from an affluent Westchester family who rented the larger space upstairs. Orlofsky, now a well-known curator with the high-end art dealer Larry Gagosian, says he used to play baseball with the Dominican kids as a form of anti-burglary insurance but nonetheless would often find them, uninvited, chilling in front of his TV. Across the street from the local precinct station in the badlands between the Williamsburg and Bushwick neighborhoods of Brooklyn, Lombardi's new home was well away from the small strip of Bedford Street already filling up with edgy-chic new galleries and restaurants. In exchange for paying the building's utilities, Lombardi's landlord dropped his rent to a nominal sum and took cash payment, a not-

uncommon dodge among landlords who were illegally renting out commercial space to artists requiring live-in lofts. Lombardi's landlord lived in Palm Springs. Lombardi, who could not open a bank account because of his dismal credit status, did work around his property. They got along famously. A not-very-good rock and roll band practiced right next to his studio. He used headphones to drown them out, tuned the radio to white noise, and painted the two tiny back-alley windows over with silver paint so that nothing could disturb his concentration. He filled the place with the fug from his cigarettes as he worked on the floor. He called it "The Bunker."

Lombardi didn't care if his New York pad resembled a Cuban coffin cell. He was out all the time—every night, said his friend Ibsen Espada, who came to stay with him in The Bunker a year after Lombardi arrived in the fond hope that Lombardi would find him a gallery. Lombardi, amazingly, already had two, one in Williamsburg and one in Chelsea. They made the Williamsburg art scene at Momenta Art, at Feed and Roebling Hall, at the new Pierogi 2000 where another recent arrival, Joe Amrhein, was making a name for himself promoting "big drawing," i.e., massive works on paper like Mark Lombardi's. Then Lombardi would whisk Espada away to glamorous openings in Soho in a taxi full of his new young friends. "You never knew what would happen, just like a fairytale," Espada said. Espada loaned him money. Lombardi, he said, always paid him back.

Perhaps because he had waited so long to become a "someone," Lombardi arrived, in New York terms, at record speed. People stood in line to study his work at the Drawing Center in January 1997.[1] According to Joe Amrhein, who became one of his dealers after Fred Tomaselli introduced them, the FBI and the CIA were among his biggest fans. Whether the rumor was true or not was—almost—beside the point. True to Lombardi's shrewd prediction, everyone in a town that lived on information was talking about it and him, drawn by the whiff of danger that whetted New York's insatiable appetite for the kind of success story

that promises to end badly. He was fond of remarking to the younger artists he mentored that every exhibition is a well-baited trap—that, by the time a show is ready to be seen, the artist must have already stirred so much buzz among his dealers, critics, and other connections in the art world that its success is a *fait accompli*. Increasingly, he was walking into a trap of his own design.

For a celebrity-apparent, Mark quickly developed a reputation for being a "clam" about his personal life, otherwise notable in a Conceptual artist whose brand depended on a sexy personal narrative. He compensated—even overcompensated—by obsessively sharing the backstories of the shadowy characters in his drawings and became famous for his caffeine-and-cigarette-fueled barrages of narrative, delivered through an enigmatic Cheshire grin. Since he convinced his dealers not to exhibit the note cards with the work, he was more often than not in the position of being his own narrator (a position which, as his life drew to an end, he would decline more and more). This gave him unique value in the art world: He was, as fellow artist (and competitor) Fred Tomaselli remarked, "So much more interesting than people who talk about art all the time."[2] On the other hand, his first dealer, Deven Golden, said, "Now, Jackson Stephens is not someone who would take kindly to being represented. No one knew who Jackson Stephens was until Mark, chuckling, told me."[3] Toward the end of his life, said fellow artist Gregg Stone, who purchased Lombardi's major Jackson Stephens drawing for a pittance out of the artist's estate, Lombardi "became his work," consumed by it to the point where he couldn't deal with anything else.[4]

If Lombardi's life had become a fairy tale, it was not out of the Disney happily-ever-after genre but from the older, darker cloth of Hans Christian Andersen's *The Red Shoes* or the Brothers Grimm in whose *märchen* the consequence of disobedience is cruel and often grotesque punishment. He should have had a wise advisor, a godmother or godfather to tell him, "Whatever you do, don't go down that path, through that door.

Stay within the walls of Metaphor, the honorable default position of the Artist." But Sissy Farenthold had faded as soon as the limelight hit Lombardi's drawings in Houston. Perhaps trying to vindicate himself in her eyes, perhaps trying to prove they were on a more equal footing—perhaps just trying to resuscitate her patronage, Lombardi faithfully invited her to every opening and sent her news of all his other triumphs. As she tells it, they were never directly in touch again. "I would hear things were happening for him and I would marvel from afar," said Farenthold, who would unfailingly send her polite regrets to his dealers along with her heartiest congratulations. "It is such a struggle for an artist to succeed, and he did it so quickly."[5] To this day, she seems unaware of any irony in that statement.

True to her promise, Day Barlow stayed in touch. She would call her ex-husband on the phone every six months, no more or her new life would suffer but certainly no less. He would have called more often if she let him. Unwilling to let go of his anchor, of her stubborn affection and her common sense as his career skyrocketed, he would tell her about his triumphs, or at least about some of them.

Though critics and curators like Larry Rinder persist in their view that Lombardi was "after a metaphor for something larger"[6] in his work, it is difficult to imagine anything more concrete than an interlock or larger than the scope of his "historical panorama" of the shadow-banking and global money-laundering businesses. He was caught on the crosspieces of a peculiar irony that he himself had constructed. As investigative journalist Russ Baker, who has written extensively about the Bush family network that Lombardi depicted, puts it, "The reality is that society is afraid of disturbing revelations and they are suppressed. If someone can be made to [appear] just an interpretive artist or theorist, it's more cushioning, more distancing, and far less upsetting."[7]

Lombardi, however, had made himself into an anomaly, an interpretive artist whose first passion was investigative reporting. He was further snared by the "politics of publicity" essential to Conceptual Art;

the Siegelaubian diktat that the artist must have a sexy personal story to sell the art itself—his identity would become his brand. But Mark Lombardi, like many intensely clever, intensely work-oriented people, didn't have much of an identity in the conventional sense. Because of his reluctance to divulge personal details, the "story" *was* his investigative reporting. Even more, he was prisoner to his own overwhelming need, unsatisfied since childhood, to be taken seriously by "people that matter," by the idealism that underlay his apparently cynical joke to his friend Andy Feehan that "you could hang the truth on a wall and nobody would care."

Mighty Mouth (his childhood nickname) was damned to be explicit. If explicitness led to fame as well as to possible harm, well, that was a collision course he was in gear to drive, even into the run-up of an unusually contested and scrutinized election year, 2000. "He had that hunger," his friend and fellow artist Irv Tepper said. "I had to love him for that."

An almost unbearably powerful incentive for Mighty Mouth to keep telling his story appeared on the heels of his successful first show at the Drawing Center in 1997 in the "fairy tale" form of an irresistible suitor. The Whitney Museum came calling in the person of Janie C. Lee, curator of the drawings department and head of its acquisition committee, who said, enigmatically, "I came, I presented his work [to the museum director, who happened to be Lombardi's college buddy David Ross], and I left."[8] Ross recollects that the sale of Lombardi's drawings of the "spook bank" to the museum with historic connections to the CIA went through in the artist's lifetime, but, as we shall see, discussions were to last, bizarrely, for more than three years, until months after the artist's untimely death at the age of 49.[9]

Meanwhile—unusually quickly, for a new arrival in New York—Lombardi had a succession of small but successful shows that soon translated into more, international attention. After *Why Can't We All Just Get Along*, a 1998 group show at Deven Golden Fine Art in Chelsea,

Golden asked him to join his roster of artists. He had two prestigious solo shows in rapid succession, *Silent Partners*, at Pierogi in December 1998; and *Vicious Circles*, named after financial reporter Jonathan Kwitny's book on the Mafia at Golden's Chelsea space in early 1999. Lombardi was a hot ticket and could afford to play the two dealers against each other. "We were all small dealers back then," Golden said. "Pierogi was much smaller than it is now. This way Mark could have two shows, one right after the other, instead of waiting two years before having another solo show with me." A growing claque of critics took interest in his work, including Raphael Rubinstein of *Art in America*; Frances Richard, a frequent contributor to his favorite magazine, *The Nation*; and Roberta Smith of *The New York Times*, who memorably called him the "oldest emerging artist in New York."

Unusually, Golden said he gave Lombardi carte blanche to sell directly to private clients like Mickey Cartin, an electrical supply mogul and one of the three biggest contemporary art collectors in Connecticut. Cartin says he never bought directly from the artist, but developed an interest in his work after Fred Tomaselli, the same artist who encouraged Lombardi to make the move to Williamsburg, took him to Lombardi's studio to see it.[10] Tomaselli says that, far from introducing the two, he does not remember ever visiting Lombardi's studio, with Cartin or without him.

This *Rashomon* effect (the mutually contradictory accounts of eyewitnesses whose substantially different stories are each equally plausible; a literary narrative technique potentially useful in disseminating disinformation) becomes particularly strong in investigating the last two years of Lombardi's life, for reasons which range from the intense discomfort his death still arouses in many people to attempts to maximize his art prices by capitalizing on it.

Lombardi made friends easily on the surface. He had developed formidable networking skills—"an art lifer," as one of his colleagues described him[11] who, even as a lowly handler, could walk into a gallery

and charm his way into representation by speaking knowledgeably to the dealer about the artists he represented (in Golden's case, the work of his future wife). Cartin, who developed a friendship of sorts after visiting Lombardi's studio several times and taking him to dinner regularly, was mesmerized by his charisma and his eccentricity. "I never knew an artist who kept 40,000 index cards," said Cartin, who had the rare privilege of viewing Lombardi's extensive files. "He was so full of energy, of his complete belief in what he was doing. It was all that mattered to him."[12]

"There are a lot of things to not trust about artists," Golden said. "They talk a lot of shit. Mark was articulate. Very articulate. About Mark's personal life, I know nothing. He was very professional. I was his dealer. Mark was very careful not to shit where he ate."[13] It would take three years for them to consider themselves friends, said Joe and Susan Amrhein. Even then, the artist would not discuss his personal life or the frustration he felt at not having made it sooner.

"Breaking into the art world is like light manufacturing," said Irv Tepper. "You have to make a lot of work before you start to sell. That's the first show. Then they decide to push you, to promote you. Then there's the second show. It has to be better. Then you're hanging out with collectors, eating at better restaurants. You start believing your own shit. Then there's the third show. It has to be even better, and it has to be all new, all fresh. You start grasping for ideas. You hit the point where you've drained yourself and you still have to come up with new ideas—that's the really scary point. Before Mark had his first show, I could see the fear in him. He was uncomfortable with the unknown but he kept going after it."[14]

Lombardi had some good reasons to be uncomfortable. The thought that the FBI and the CIA had followed him from his first solo show at the Lawndale Performance Center in Houston to his first group show in New York was more than a little creepy. It was also irresistibly titillating—and very good for business. The drawing that allegedly drew the men in black as bees to honey was his second version of *BCCI, ICIC & FAB*,

which, as he described it, depicts how "beneath the veneer of legitimacy," BCCI in conjunction with its "shadowy black banking unit ICIC," handled "hot," "black," and "dirty" money for a "panoply of international gangsters" under board directors who were "for the most part drawn from the diplomatic corps and intelligence community. This is because BCCI was specifically created to serve geopolitical rather than commercial ends: to further the regional and political and national security ambitions of a handful of conservative Gulf Arab states allied to the United States and Britain, regardless of cost."[15] The drawing also attracted immediate interest from the august (and very well-connected) Whitney Museum of Art.[16]

The art world being, in Tepper's terms, what it is, the natural inclination of an artist of Lombardi's ambitions would be to beat his last performance by becoming even more discursive. That would be harmless enough, from a real-world perspective, if Lombardi was doing what most "political" artists do, i.e., picking off easy targets with the broadest and most obvious metaphors. Even people in the art world are wont to say, "It's art—nobody pays any attention to it"[17] or, as Lawrence Rinder remarked in *The Village Voice*, "Surrounded by constant reminders of our vulnerability, some may feel, albeit unconsciously, the need for art to do its part and so imagine that Lombardi has arrived just in time to secure the place of the fine arts in the emerging national paradigm of surveillance, paranoia, and control. Unfortunately, the claims being made for Lombardi's relevance to the war on terror are rather overblown."[18]

Rinder's tone is surprising since he takes credit for spearheading the Whitney's later campaign to acquire Lombardi's work; even more so because he goes on, in the same article, to compare it to John Poindexter's Total Information Awareness (TIA) program. Lombardi, as we have seen, was using a potential weapon, a litigation tool, to create a continual interlock, a cumulative record of highly specific interconnections between government, intelligence, and criminal figures, backed by the essential and rigorously annotated information in his file

cards, tracking precisely the same questions the Senate committee investigating BCCI said it lacked the time and the resources to answer. The arch reference to Poindexter's TIA program is particularly unsettling. Lombardi, Bill White said, "took over" from Danny Casolaro, who was investigating Inslaw Inc., the company that created the PROMIS people-tracking software on which TIA is based, when he was found with his wrists slashed in a motel bathroom. PROMIS, TIA, and BCCI are interlocked with Arkansas billionaire and presidential kingmaker Jackson Stephens, who owned the company that allegedly received and copied stolen PROMIS software for the purpose of creating TIA and (later) was awarded a government contract for it.[19] Stephens, the subject of at least 10 Lombardi drawings, invited BCCI representatives to the United States in 1977 and facilitated its takeover of Clark Clifford's First American Bancshares.[20] As we shall see, PROMIS, TIA, and their successor, Palantir, all work through a who-to-whom informational matrix: cyber-security experts familiar with all three as well as Mark Lombardi's work say he "laid out the foundation of who-to-whom."[21]

Lombardi's relationship to the fame he sought became increasingly ambivalent in New York, evident in the game of hide-and-seek he played with his file cards. He persuaded his dealers not to exhibit them along with his drawings on the grounds that they were not actually his art but "a side element, a private code." He claimed that his drawings could be read like a newspaper, despite the fact that the information in them is too complex to be comprehended without either extensive knowledge of the underlying material or continual reference to his file cards. Lombardi may simply have been trying to protect his commercial value. The peril of Conceptual Art is that, as Sol LeWitt pointed out, anyone with a set of written instructions can do it, even the US Department of Justice if it was so inclined. Lombardi's note cards were his "written instructions," the narrative background to his interlocks. As we have seen, he was not, as he asserted, "only interested in creating traditional objects of beauty, available for contemplation without theoretical buttressing." His

exclusive body of knowledge was a valuable commodity that he had already exploited in a number of ways. His file cards were meticulously annotated and withstand rigorous review.

When I interviewed lawyer and investigator Leonard Gumport, who had instructed Lombardi on the interlock technique during his Khashoggi deposition, he asked if the file cards included dates and page citations. When the answer was affirmative, he paused and said thoughtfully, "It does appear to me that he's using that technique in a way that can be useful" to lawyers and investigators like himself. The artist was now deploying it in a city full of ambitious prosecuting attorneys and high-profile financial investigations, a city that had no great love for the Bushes, in the run-up to another election year.

A significant portion if not the bulk of Lombardi's research, as we have seen, focused on the doings of the Bush family. It is extraordinary that, at the time the author examined Lombardi's note cards one by one, in the MoMA repository in Long Island City where they are housed, only four note cards related to the Bushes were to be found among them, a curious fact which may account for the discrepancy between the 40,000 note cards Cartin initially remembered and the 14,000 available for viewing in the archive. It may also account for the FBI's extraordinary interest in an artist. Cartin, whose memory, like that of many players in this story, suffers from periodic failure, at the same time that he expressed a keen interest in the exact number of Lombardi's file cards has a hazy recollection of Mark telling him that the FBI made a studio visit to gain access to the cards. "They had developed an interest in him. They thought he had information that they didn't have. . . . Of course, the FBI would never admit it if they thought they could learn something from him!"[22]

LOMBARDI'S SISTER LISA feared New York would be the end for him because she felt he was in a fragile emotional state following the breakup of his marriage in 1996. After the divorce, she said, he started

communicating regularly with his family, particularly his mother, with whom he talked almost every day. He talked a lot about his relationship with Day, but he would also talk about how his phone was being tapped and how he was being followed. It was difficult for Lisa to tease out how much his sense of paranoia had to do with depression over the loss of a relationship he valued and how much of it was real. Shirley Lombardi would never reveal much of their conversations, but she would mention that she gave her son "life advice."[23] Despite their enduring affection for each other, Day is gently skeptical about the idea that he allowed any feelings about their divorce to get in the way of his delight at finally getting to New York. His enthusiastic notes to other women on the possibilities of hooking up support her analysis.

Lombardi's fellow toilers in the Williamsburg art ghetto paint a very different picture from the anxious, needy depressive depicted by his family. They remember a natural-born hustler who was finally in his element and ready to go head-to-head in every way with the much younger artists New York art circles favored. "He was pretty intense, a real go-getter," said David Henry Brown, 15 years Lombardi's junior, who recalls meeting him for the first time: "This guy with crazy eyes and black glasses as thick as Roy Orbison's, he had his slide equipment with him and showed me his slides right away and I was like, *hm* . . . Not cool, you know?"[24] Joe Amrhein's wife, Susan, herself a gallerist, liked Lombardi because he would go head-to-head with much younger artists. "Young is good in New York," she said. "That's why we loved Mark."[25]

Williamsburg was a sump of simmering jealousies, both professional and sexual. Gallery dealer Sam Orlofsky, an aspiring painter at the time, still describes Lombardi as "definitely not successful," a broke, starving artist up until the time of his death, which, as we shall see, was not the case. To "help him out," Orlofsky, whose gallery, Gagosian, currently has a Lombardi for sale for $450,000, says he arranged for his real-estate-wealthy parents to pay a studio visit with the aim of buying "about 35" maquettes, the small drawings by which Lombardi plotted big ones. The

sale would have been a big one, and, if Lombardi were as broke as Orlofsky believed him to be, a transformative event. The day of the visit Orlofsky, who had gone home with a young woman the night before, failed to show up, and the visit was aborted.[26]

Orlofsky's close friend Rafael Vargas-Suarez, a 28-year-old artist when he followed Lombardi to New York from his home near the NASA base in Houston and whose mature work references hard data from American and Russian space-flight programs, said Mark "didn't have limits for himself": He drank too much and smoked too much pot, chased much younger women—without success, according to Vargas-Suarez—and was constantly badgering the 28-year-old to introduce him to his 20-something girlfriends.[27]

According to artist Lindsey Nobel, who was one of them, a wild child in her early 20s at the time and part of the party crowd that rushed off to openings in Lombardi's car, Mark was a girl magnet. "Goofy Mark with the buck teeth. He was always lurking at this girl, that girl, trying to smooch me and Carla [Gannis, Nobel's friend, another young artist]. He was a nice guy. He always shared, drove us everywhere in his car. A happy person. . . . He never lacked for relationships. He had no trouble attracting women. He had a good time, all the time."[28] Lombardi told Nobel and Carla Gannis they were hot. He worked out to excess, rollerbladed everywhere in New York City, and dieted strenuously, in the fond hope that he was getting into top condition so that when he went out to clubs girls like Lindsey and Carla would desire him. "Old cow looking for new grass," his younger sister Laura said, in the deflationary spirit of younger sisters. "An old artist, playing a young artist game," said artist David Henry Brown.[29] Apparently, it worked.

Other than the opportunity to make out with their women, there was another reason why Lombardi hung out with people half his age. Despite his growing success rate, he was still so intensely competitive and/or insecure that he had difficulty making friends in his peer group. Irv Tepper recalls going with him to a party at Jim and Anne Harithas' Upper

East Side apartment. “Paul Schimmel, you know? They were at college together. And Mark didn’t want to go in because there were all these fancy rich people there and Paul was there, perfectly comfortable among them. And Mark, I guess, didn’t want any comparisons made.”[30]

If Lombardi had any reason to be depressed, it was most likely by the heavy load of debt he still carried. A search through his papers turned up an avalanche of red flag notices from banks and credit card institutions, up to $60,000 incurred mostly, his family said, from the crushing obligation of meeting his back child-support payments. Much to Don Lombardi’s chagrin, Shirley assisted her “baby” with her own money. When Mark made a sale, Golden said, he often asked that the check be made out to his parents because he didn’t have a bank account of his own. “I made up a story in my head like, he’s just moved to NY, he doesn’t have a bank account yet,” Golden said. “Then I heard at his memorial that he’d been red-flagged by a bunch of banks, not because he was after their nefarious activities but because he was a fuck-up with money!”[31]

It was with a certain sense of relief that Vargas-Suarez, who was interested in Nobel himself, introduced Mark to an age-appropriate woman at the first Armory show at the Gramercy Park Hotel.[32] Despite her Goth attire, she was, in fact, the only woman his age in the room. She, too, was an artist, albeit one with an exceptionally high net worth. Her name was Hilary Maslon. She was the granddaughter of the head of the law firm representing agribusiness giant Archer Daniels Midland. She grew up in Beverly Hills. Her brother Jimmy, a movie producer, is best known for *Blood Diner, The Godfather of Gore* , and *That’s Sexploitation!* Lombardi gave her a business card he had made up as a joke, which read DEATH-DEFYING ACTS OF ART AND CONSPIRACY. “I was attracted to him from the beginning,” Maslon said. They ran into each other again. She was “intrigued” and invited him over to watch the Tyson-Lewis fight on TV, a unique come-on that in turn intrigued him. “We slept together, took ski trips together. We hung out a lot. Mark had a very domestic side—he liked being with one person. The art world can be very cruel. Mark—he

was driven. He was going in the right direction, getting good results. But the art world gets really tiring when it's over the top."[33]

Maslon calls herself a Surreal Abstractionist and said her art was "a little too traditional" for her new boyfriend. "Mark was really in the limelight. It was difficult for my career," she said. "Mark was in the forefront all the time. . . . He was really breaking new ground. He was about information. I was about paint."[34] Nevertheless, Amrhein says, Maslon was not shy about using her relationship with Lombardi to approach him about showing her own work, which he would not commit to represent.[35]

Most of Lombardi's friends and family failed to understand why he was attracted to her. "A spoilt, self-involved rich girl," Golden said.[36] Lombardi was good-looking, gregarious. He was a rising star in the art world. He had no trouble attracting women, and he liked them young and pretty. Maslon was old enough to be his sister and didn't turn heads in the way that Day did. She also lacked Day's emphatic good sense and strong ego, strong enough to withstand even Mark's. His family regarded her as cold and standoffish, reluctant to visit. "Very self-centered," his mother said.

Others look at her more kindly, or at least in practical terms. Vargas-Suarez, who introduced them, felt that Maslon genuinely cared for Lombardi and was trying to help him. Irv Tepper said, "He was in a good situation. His girlfriend had money. She could pay her own way."[37] Hilary Maslon was more than self-sufficient. She was wealthy—not as rich as Ann Harithas, but rich. She lived in a luxurious loft in Chelsea, where Mark could take refuge from the abysmal living conditions of his Williamsburg coffin cell. Mark's sister Lisa said, "Mark was perfectly candid about wanting to be a kept man. I'm sure he didn't tell that to the candidates."[38]

Even if Mark did want to be a kept man, he wasn't happy being one. He bucked like a horse at being controlled. Maslon objected to his smoking. They had to stay at her loft. She wanted to keep his schedule but

showed up half an hour late for every date. She helped him to fulfill his debt obligations by allowing him to deposit payments for his work into her bank account, but she also held the reins on the flow of money from his steadily increasing sales.[39] Mark's family complained that the money Mark intended to give to his mother, Shirley, remained in his rich girlfriend's account.

Lombardi and Maslon broke up in the spring of 1999. Maslon said she started seeing someone else. The Amrheins understood from Lombardi that Maslon wanted the relationship to be serious and seemed to be used to getting what she wanted. "It was never a strong relationship, in my opinion," Amrhein said. "I never knew them much as a couple. He always came to openings alone. She was really putting the screws to him to make more of a commitment."[40] Lombardi never liked being told what to do. Maslon, she said, couldn't understand her boyfriend's obsession with information, among other things: "I was in his shadow. I felt he was over-critical of me. I was trying to quit smoking. He chain-smoked all the time." Irv Tepper said, "He made a dumb mistake breaking up with Maslon. She had money. He was in a good situation. He broke up with her because he had an inflated self-image. When he started getting famous, he thought he should make himself available to others." Another reason may have been the sheer weight of schadenfreude deposited on the relationship by friends to whom Maslon's real sin was having money, the one essential escape route from an artist's life of constant struggle.

By the end of 1999, Lombardi did not need Maslon's money or anyone else's. With 10 more shows to his credit—including one at the Museum of Contemporary Art in Washington, DC, curated by his former teacher and ex-employer, Jim Harithas—he was by then making enough off the sales of his art not to have to take a job. Golden says he got at least $15,000 from his solo show *Vicious Circles* in November alone. "That should have kept him going for a year," Golden said, with no irony intended. "He sold things from his show at Pierogi too. I also sold at least half a dozen drawings before the show. So he was flush." At the time,

Lombardi's large drawings, approximately 51 by 74 inches, commanded between $8,000 and $11,000; the smaller ones between $700 and $2,500. Cartin says he bought two of the most important large drawings, *Bill Clinton, the Lippo Group and Jackson Stephens* and the fifth version of *Inner Sanctum: The Pope and His Bankers*, for $5,000.[41] Lombardi's unrelenting personal drive more than made up for his comparatively low prices. Lists of work catalogued at Pierogi, though incomplete, reveal that the artist made many more drawings than the 40 or so in his published catalogues, many of which he sold directly; Joe Amrhein said, "I wasn't aware of everything Mark did on the side."

By September of 1999, Lombardi already had the wherewithal to pay off the last of his bank debt, with $25,000 to $30,000 left over, the money he wanted to give to his mother, Shirley.[42] He had also paid off the last of his child support. He was trying to stop drinking. He was even feeling secure enough, according to an undated press release from Deven Golden Fine Art, to turn down a lucrative commission from Wall Street legend Asher Edelman.[43]

Edelman began his Wall Street career as an investment banker in 1961. By the mid-1980s, he was a pioneer of leveraged buyouts, so much so that he partly inspired the character of Gordon "Greed Is Good" Gecko in Oliver Stone's 1987 film *Wall Street*. In 1988, after becoming involved in several high-profile lawsuits initiated by then–US Attorney for Southern New York Rudolph Giuliani, he turned his back on Wall Street, moved to Switzerland, and started the Museum of Contemporary Art in Lausanne. "You think Wall Street is corrupt?" he says today. "It's nothing compared to the art world!"[44]

The museum closed in 1995. In 2002, Edelman moved back to New York and opened two art galleries. When the 2008 recession upended the art market, and banks and auction houses retreated from loans and other financing deals based on anticipated sales prices of fine art, Edelman stepped in with a number of boutique lenders and other financiers to fill the gap. Today he is head of Art Assure, an art finance company that buys

and sells bundles of masterpieces by the likes of Van Gogh and Monet for up to $500 million a package backed by a number of hedge funds and individual investors.

Even though the commission might have led to a beautiful relationship with a Wall Street legend and a savvy art entrepreneur, Lombardi rejected it, said Golden, because Edelman had in mind a particular scandal he wanted Lombardi to research, one that did not come out of his ur-material, his two original boxes of research on Adnan Khashoggi, Iran/Contra, and BCCI. "His whole body of work comes from these two boxes. Everything he did was based on his accumulation of knowledge. Asher had in mind a particular scandal he wanted Mark to do. Mark said no. Mark had a certain number of pieces he was doing to do shows. This was off-subject." In other words, Lombardi was devoting his efforts to completing the interlock, patiently following the same players over time.

"It never happened," Edelman says today, although he will not categorically deny that he might have met the artist at a gallery and suggested an idea *en passant*. If he did commission one of Lombardi's interlocks, he concedes, it would have been one of Rudolph Giuliani and his banking connections, "because of what he did going after Michael Milken in cahoots with Goldman and the other big banks and how that paid off for him in political life. He was such a despicable figure. . . . What Milken was jailed for, Goldman just did bigger."[45] According to Michael Lewis in *Liar's Poker*, Edelman and the other corporate raiders all sold junk bonds through Milken's Drexel Burnham Lambert to fund their takeovers. In 1989, as a result of Giuliani's war on white-collar crime during his tenure as United States attorney in Manhattan, Edelman's brother Jon was indicted on charges of defrauding the Internal Revenue Service in one of the largest tax fraud schemes ever prosecuted, involving some $38 billion in bogus trades that rewarded investors with more than $511 million in tax benefits. In a statement at the time, Asher Edelman said, "This is a distressing and difficult time for our family. I

will do everything in my power to assist my brother because I do not believe he would engage in any unlawful activity."[46] In addition to paying $436,858 in SEC penalties in order to "avoid protracted and costly litigation," Edelman was one of a group of Wall Street's most prominent players who paid over $43 million to settle a RICO civil conspiracy suit spearheaded by Giuliani when he was still US attorney for the Southern District of New York.[47] Lombardi's dealers say the story came from Mark, who did not as a rule make things up. Edelman, now 74, says he is an admirer of Lombardi's work and aware that the artist used a common litigation tool to create it. It was a tool that might, if Edelman had been so inclined, have been used to give Giuliani a certain amount of reciprocal grief.[48]

As tantalizing as the subject of Giuliani's misdeeds may (or not) have been, Lombardi had good reason to persist in completing his "one continual drawing," the giant vampire squid interlock that began with his two original boxes of research on BCCI and was to culminate in his "ur-masterpiece," the fifth and final version of BCCI exhibited in MoMA's groundbreaking PS1 exhibition a month before his death and which the Whitney finally purchased along with all his preparatory sketches 10 months later. The Whitney had shown continued, if frustrating, interest in acquiring a large BCCI drawing and any preparatory drawings from 1997 onward. According to Deven Golden, who represented Mark from 1998 to February 2000 but did not, he said, take part in the discussions, the talks were protracted because a third-party donor, whose identity he could not remember, had promised to buy the work for the museum but then blew hot and cold on the idea.

It is not unusual for museums to purchase works in this way. If a particular committee cannot come up with the budget for an acquisition, it is likely to go to a board member or other donor who is happy to donate the work for the tax privileges it confers for additional, private funds. However, the elusive identity of the "third-party donor" is particularly important in light of the CIA's historic connection to both the Whitney

and the Museum of Modern Art, which happen, coincidentally, to be the two largest institutional buyers of Mark Lombardi's work. According to cultural historian Frances Stonor Saunders, most museums in America were—and still are—privately owned and privately funded philanthropies that from the 1950s onward made them among the "most convenient way to pass large sums of money to Agency projects without alerting the recipients to their source."[49] The Whitney belonged to John "Jock" Hay Whitney, who had a place on the Psychological Strategy Board and found "many ways of being useful to the CIA"; the Museum of Modern Art to the Rockefeller family, whose *sub rosa* activities Lombardi had documented almost as exhaustively as those of the Bushes. Over 170 foundations, including the Whitney Trust, were known to have "wittingly" facilitated CIA funding pass-throughs, a practice so pervasive, Stonor Saunders wrote, that "Later the joke was that if any American philanthropic or cultural organization carried the words 'free' or 'private' in its literature, it must be a CIA front."[50] Throughout the Cold War, according to cultural historian Christopher Simpson, "senior trustees and board of directors members of the Whitney Museum can be shown to have wittingly served as CIA fronts," and Stonor Saunders' inspection of MoMA's committees and councils revealed similar links to the agency. As the Cold Warriors turned their weaponry to the "war against terror" in the 1990s without dropping a beat, it is probably true that these relations remained the same: As Asher Edelman remarked, "Anybody of any importance today has links to the CIA."[51]

Because the artist did not have gallery representation when these discussions began and the Whitney would not allow the author to examine the complete object files or acquisition committee minutes on the grounds that it considers certain information (such as valuations) confidential, there are no clear records of what transpired.[52] The narrative, which might be easily understood if there were, for example, restrictions from a third-party donor noted in the files, becomes a hornet's nest of contradictions, further complicated by epic memory fail

on the part of many of the major participants. Carter Foster, the Whitney's current curator of drawings, says David Ross, Lombardi's college mate, was "heavily involved" in acquiring the *BCCI* Version 4 and 10 preparatory drawings that the museum now owns. Ross said Janie Lee "probably" discussed the acquisition with him, since he was museum director at the time. To the best of his recollection Ross, who says he is famous for his sieve-like memory despite the fact that he has held a number of high administrative positions in the art world, remembers the deal as a "very straightforward acquisition" that went through before he left the Whitney in 1998. Lombardi's ex-wife, Day Barlow, with whom Lombardi remained in touch when he moved to New York and to whom he enjoyed reporting his success stories, confirmed that Lombardi told her the sale had gone through, as did Jim Harithas, with whom Lombardi had re-established a close relationship. Golden said he was "vaguely aware" of discussions taking place but that he didn't take any notes because (despite the Whitney Museum's obvious cachet) he didn't think they were serious. "Whoever was asking"—Golden doesn't even remember if his interlocutor was male or female—"would say, 'Could you put this on hold for six months while I find a purchaser?' What was I supposed to do with that? . . . There were so many museums asking, MoMA as well as the Whitney—and Mickey Cartin was always working in the background to acquire Mark's work for museums."[53] Cartin says he had nothing to do with the Whitney acquiring its Lombardis.[54]

Amrhein says he sold Mark's work to the Whitney in 2000. He presented the author with a digital invoice which values the work at $20,000 less tax and commissions (Valuations of the work today are estimated at $250,000 and upwards owing to the artist's death and the scarcity of the large drawings: Amrhein said Lombardi's values spiked shortly after his death in March 2000.) Curiously, the digital invoice shows drawings curator Carter Foster, who did not arrive at the Whitney until 2004, as the contact. Foster says he had nothing to do with the Whitney acquiring Lombardi's work The actual receipt, furnished by the

Whitney, shows Rinder's curatorial assistant, Chris Perez, as the contact: Amrhein and his wife, Susan Swenson, say the discrepancy may be due to an automatic computer update in their invoicing system. The valuation of Lombardi's work is redacted from the actual receipt furnished by the Whitney which considers it "confidential" according to the Whitney registrar, Farris Wahbeh. Perez, when contacted, asked the author how much the drawing was worth. Amrhein and Swenson say that, "because it was so important to us to have Mark's work protected and part of the institution's collection," they included "a number" (a large number, 10 in fact) of smaller drawings as a gift.

For whatever reason, the Pierogi Gallery was able to conclude its sale in eight months, by the end of 2000. The original negotiations were drawn out over more than three years, or three times what it normally takes to finalize an acquisition. They were "very involved" according to David Kiehl, curator of prints at the Whitney between 1993 and 2010, because of "lots of discussion . . . probably about the political implications and how did he die. There were issues about whether this was a CIA job or what—that kind of thing." Rest of graph as is.[55] Janie C. Lee, who left the Whitney in 2000 to open her own gallery in Houston, said the discussions took a long time because the artist was "scared."

Lee, who is close to the de Menils and now owns a gallery in Houston, said she "couldn't remember" if there was a third-party donor involved. Curiously—for a work focused on political connections—she says she "left the politics out of it" when she presented the work to the Whitney's board, "because that's not the way to talk a museum, which is essentially a big corporation, into buying an artist's work."[56] Her remark is not so curious in the light of the fact that Kathleen Fuld, wife of Lehman Brothers chief Richard, otherwise known as "the Gorilla," was on the board at the time. Lehman Brothers merged with Kempner-interlocked Kuhn Loeb in 1975. Jeb Bush was to actively participate in "fevered, last-ditch" attempts to rescue Lehman Brothers as it sank under the weight of toxic mortgage-backed securities in 2008.[57] Lee later said she could not

participate in this book.[58] It is worth noting that Kempners, Loebs, and Lehmans have been important donors to the Whitney and/or on various boards since the early 1960s.[59]

Lee, who has ongoing health issues according to her assistant, would not elucidate further but said Larry Rinder, who succeeded her as curator of drawings and was involved in completing the acquisition after the artist's death in 2000, would know the story. Rinder, who took over as curator of contemporary painting and sculpture in 2000, said he knew nothing about it. David Ross said all discussions should have been noted in the museum's acquisition files. Rinder says he was "not made privy to" the contents of the previous discussions nor given the acquisitions folder to familiarize himself with them and that, "in his 30 years' experience," this is normal museum protocol (Ross, the museum's former director, says it is not). Rinder denies any input from the Whitney's historic connections at the CIA and says, to the best of his knowledge, the Whitney never has had any such connection. He says that "there may have been" another third party involved, either before or after he took over the discussions, but doesn't recall who it was. If there was a record, he says, it might be in the minutes of the committee meeting, or in the object records of the work.[60] The object files have been weeded, and the Whitney will not allow access to the relevant discussion notes on the grounds that "some things" (like Lombardi's death and the valuation of his work at the time) are "sensitive."[61] Whitney publications reveal that the bulk of third-party buying at the time went either through its chairman, Leonard Lauder, or through his foundation.[62]

The Whitney has recorded the acquisition as going through in November 2000, eight months after the artist's death. Maxwell Anderson, who as Ross's successor presided over the acquisition, said he and Rinder (who aligned their memories via email before speaking with the author) were not aware that Ross had previously considered acquiring the work, "which isn't to say it didn't happen." Since he "didn't recall" any previous discussions, he obviously had no access to any acquisition files

which might have contained them. The Whitney's registrar, Farris Wahbeh, who decides who can see the files, said the minutes of committee meetings contained only lists of works to be approved for acquisition. He told me I was inquiring after discussions that were verbal—i.e., not on the record—and suggested I talk to David Ross and Larry Rinder, leading to yet another round of *Rashomon*.[63]

Asked why the Whitney didn't clear up a lot of questions by allowing full access to the files, Anderson, who is now director of the Dallas Museum of Art, said, "In the secret, furtive art world, museums are unregulated entities. We don't have an SEC. People are allergic to transparency and have been for centuries, which leads to the unfortunate impression that something is going on."[64]

8

THE WELL-BAITED TRAP

"Every exhibition is a well-baited trap."

—MARK LOMBARDI

ACCORDING TO ARTIST FRED TOMASELLI—SUPPOSEDLY MARK'S confidant—the two talked about practical matters related to art whenever they met. Curiously, the subject of Mark's sale to the Whitney never came up, although Tomaselli himself was selling to the Whitney at the time and would have made an invaluable source of advice. Mark never discussed his frustrations, Joe and Susan Amrhein said, but the impact of the long-deferred, perhaps aborted sale on an artist of Mark's volatile temperament is easy to imagine.[1]

Perhaps to compensate, Mark chased graduate students throughout the summer of 1999. They wouldn't sleep with him, his friend Irv Tepper said, because he was too old. He took to visiting Tepper almost daily in his studio to unload the burden of his increasing fame, which Tepper (who was not so famous) refused to shoulder. At the end of the summer, Tepper says he said to his friend, "You know—these girls are only interested in me because I'm famous.' I said, 'Where the fuck has your ego been?' That's when he started talking about getting back together with his girlfriend, Hilary Maslon. I said, 'Good luck with that.' . . . I warned him—don't go back to her. I'm sure she fucked with him. I think she cared for Mark a lot. From all the conversations I had with Mark, I don't think he understood how rich women think."[2]

In August 1999, another "fairy tale" suitor came calling, this time in the form of a high-level invitation to go public with the narrative in Mark's index cards. Since 1997, Mark had himself been courting a Berlin-based non-governmental organization known as Transparency International (TI), which bills itself as the "coalition to curb corruption in international business transactions." He had invited several of its US representatives to his openings and had visited its Washington, DC, office more than once according to his travel records, with the obvious intent of developing an affiliation. Mark's second BCCI drawing (the one that had attracted so much attention at the Drawing Center) had already been published by an activist organization, AntiTrust Network International. Whether Mark intended to return to activism or to burnish his unique art-world credentials is a matter of speculation, but TI would allow him to do both on a much grander scale than any heretofore.

Elana Foster, head of TI's Washington office, wrote him:

> Dear Mr. Lombardi:
> I am delighted to respond to your letters to Ms. Boswell and Mr. Heimann regarding your interest in Transparency International (TI). Your work seems unique and interesting and I took the liberty of sharing the information you sent us with our Berlin headquarters. . . . We appreciate your interest in TI and your important work. Feel free to give us a call when you are in Washington and we would be happy to chat with you.[3]

Dr. Peter Eigen, who founded Transparency International in 1994, heads if not personifies its Berlin headquarters. A German lawyer with a voice that oozes probity, he worked in economic development for 25 years, primarily as the World Bank's manager of programs in Africa and Latin America. Eigen says he left the World Bank to fight corruption (he was head of its Nigerian office, a great place to start, at the time) with the support of his "great friend" and fellow chamber musician, James

Wolfensohn. His other interlocks are equally impressive: the Ford Foundation, the Carnegie Endowment for International Peace, the universities of Frankfurt, Georgetown, Harvard, and the Freie Universität Berlin. In 2004, he married Gesine Schwan, the Social Democrat candidate for the German federal presidential elections in 2004 and 2009. In 2006, he became chairman of the Extractive Industries Transparency Initiative for energy commodities.[4] He and his wife are now setting up a school for "natural resource governance," supported, he says, "by the present Conservative government to secure German access to natural resources."[5]

TI claims to be the "global civil society organization leading the fight against corruption," largely by virtue of the *Corruption Perceptions Index*, a comparative country-by-country listing it publishes yearly to "monitor and publicize" corporate and political corruption in international development and which is quoted religiously in business-friendly publications such as *The Economist*.[6] However, the index, based on surveys of business people, has been criticized regularly for poor methodology and unfair treatment of developing countries. According to Aziz Choudry, an academic at McGill University who is an authority on corruption and governance, TI's corporate funders are a case study in the fox running the henhouse: They include or have included a number of Bush cronies such as Enron, BP Amoco, and Bechtel, as well as failed insurer and reputed CIA front AIG, the disgraced accounting firm Arthur Andersen, and, most recently, GlaxoSmithKline, whose senior executives have been convicted of bribery in an egregious case which threatens a new trade war between the West and China. British Petroleum, which merged with Amoco in 1998, was an enthusiastic backer of the Bush-Blair war on Iraq, so much so that the British press dubbed it "Blair Petroleum." George Schultz, John Connally's successor as Richard Nixon's treasury secretary and a senior member of George W. Bush's "Vulcans," a group of policy mentors that included Richard Cheney, Paul Wolfowitz, and Condoleezza Rice, was a board member and president of

Bechtel. Enron's Ken Lay, as investigative journalist Russ Baker points out, played a central if little-known role in the US-Saudi "special relationship" that, channeled through the Bushes, became the focus of Lombardi's work. As Nixon's deputy undersecretary of the interior in the 1970s, Lay, nominally in charge of coordinating government energy policies, became in effect point man to the industry he was expected to regulate and which was umbilically attached to George H. W. Bush. Lay left Washington a year after Bush Sr. assumed chairmanship of the Republican Party and, citing the OPEC oil embargo of 1973, began pushing for complete deregulation of the industry.[7] In 1992, as we have seen, Mark Lombardi and Day Barlow marched on Lay's Houston home to protest his role at the Republican National Convention. GlaxoSmithKline's logo appears on Transparency International's "Corporate Supporters Forum," which "Aims to bring under one roof those corporations that strive to operate in an ethical, transparent, and accountable way and thus wish to become a role model for other business actors."[8] The anti-corruption watchdog has also been sharply criticized by *The Guardian* for generating and defending a factually inaccurate report on Venezuela's state-owned oil industry in order to promote an anti-Chavez political agenda and—despite protesting too much that it was not a "political organization"—staffing its Venezuela bureau with right-wingers. (TI's major donors at the time included the British government, the US government, Shell, and ExxonMobil. When pressed for explanation by *The Guardian*, TI's press spokesperson did not return calls.)[9]

As Choudry put it in a 2002 speech entitled "How Low Can You Go?" "Transparency International's focus fits snugly with the language of good governance and the phony moral supremacy of the free market which the world bank, the Asian development Bank, the World Trade Organisation, the Organisation for Economic Cooperation and Development (OECD), the Bush Administration, among others all promote."[10] Moreover, TI's playbook may even give its corporate sponsors a legal loophole as, under

British law, they can claim mitigation against prosecution if they can demonstrate they had "robust" policies and procedures in place that were circumvented by rogue employees. A search of GlaxoSmithKline's website turns up just such a procedural guide, in language that appears to have come straight from TI.[11]

Before TI issued its invitation in August 1999, Dr. Eigen paid a studio visit to Mark Lombardi. In the cramped, airless space, illuminated only by Lombardi's work light, he listened to the artist talk about his work. A peculiar intrigue was brewing between Germany and the United States in 1999, over whether bribing foreign governments and individuals is allowable behavior for multinational corporations. American companies felt at a competitive disadvantage with German ones, who up to that point could deduct bribes they paid abroad from their taxes. In 1999, the year of the Durban Anti-Corruption Conference, many multinational corporations came under new, enhanced provisions of the Foreign Corrupt Practices Act (FCPA), which, coincidentally, leveled the playing field. TI simultaneously launched its bribery index to "raise awareness" of the issue. Eigen said he was particularly interested in the use of art as a consciousness-raising tool, presumably the reason for his visit to Lombardi's studio.

Much of the 330 square feet of Mark's studio space was taken up by his index card files, where he kept a trove of arcane and specific materials on bribery and corruption, two of his favorite research topics. When he was impassioned about a subject, he could speak nonstop for hours, and when he found the right audience, a friend said, "He not only grabbed your ear, he bent and twisted it."[12] Eigen listened to his machine-gun barrage of names, figures, dates, and connections with reservations. "I liked him very much as a person, but I didn't know quite what to do with him," he said. "He saw conspiracies everywhere. I have colleagues who like to throw brickbats through windows but I . . . I am careful not to step on too many toes."[13]

Eigen, who has been criticized for being "too close" to the American

corporate world, was less than transparent about his contacts with Mark Lombardi. According to the anti-corruption paladin, he visited Lombardi's studio in the company of artist Dan Brush, who "introduced" them with the idea of acquainting Eigen with Lombardi's work. Brush, who creates intricate decorative works in gold worlds away from any "flow of funds" chart, says he never met Lombardi and has only become passingly acquainted with his work in recent years; moreover, he said he would "never" take a client to meet another artist. Eigen was "amazed" to hear this and said he would get back to the author as soon as he could recollect who in the art world had introduced them.[14] He never did.

In August 1999, TI sent Lombardi an official invitation to "address the delegates" at its Ninth International Anti-Corruption Conference in Durban, South Africa. Those delegates included Mark's idol, Nelson Mandela, along with Eigen's cello-playing buddy, the head of the World Bank, James Wolfensohn, President Thabo Mbeki of South Africa, President Olusegun Obasanjo of Nigeria, and President Julius Nyerere of Tanzania. The invitation's agenda was to "allow an international exchange of experience and ideas between public officials, political leaders, the private sector, non-governmental organizations, the professions, members of the judiciary, and academics on such topics as whistleblowing, money-laundering, police integrity, financial integrity and control, education, public awareness, public procurement, corruption in the judiciary" and—Mark's specialty—"building networks." It was signed by TI's current head of (legal) conventions, Gillian Dell.[15]

The invitation was the apotheosis of Mark's lifelong dream. Finally, the comedian was being handed the role of Hamlet, the opportunity to have his opinions taken seriously by those who mattered. Never mind that the topic he was invited to address was that of "Raising public awareness: the role of the creative arts." Not only would it establish him as an expert on corruption, the goal of his original intention to write a book on BCCI; it would also enormously increase his financial worth as an artist by endowing him with a completely unique cachet.

It is therefore astonishing that he told no one of his spectacular coup—not his family, dealers, friends and rivals, not his ex-wife to whom he faithfully reported his successes, not even Sissy Farenthold, in whose eyes it might have proved a final vindication. When I told Day Barlow of the invitation, which I found in his papers and confirmed with Transparency International, she exploded in disbelief. "Wow! That would have been a big deal to him. Wow! I mean, one of his heroes was Noam Chomsky, so that would have been right along the lines—wow. And Nelson Mandela? That would have been pretty cool. We marched on the South African embassy (in Houston) to free Nelson Mandela. . . . We carried signs. We were on Fox News. No question he would have gone if Nelson Mandela were involved. He was a real hero to Mark."[16]

Mark's family agreed. "There's no way he wouldn't have jumped at that, just for the connections alone," Don Lombardi said.[17] Mighty Mouth surely would have told them all about it, and if he couldn't go, he would have told them why he couldn't go, *ad nauseam, ad infinitum*. They conjecture that, if he didn't go, it was strictly a matter of money: TI's invitation specified that "the conference is self-financing and so it is our hope that your organization will cover its own costs in attending."[18] Peter Eigen confirmed that it was TI's policy to pay for artists. "Not for bankers," he said sternly. But, by the time TI's invitation arrived, Lombardi was making enough money from selling art to be self-sufficient; furthermore, his ex-wife Day said, "If Nelson Mandela was going to be there, he would have found the money to go."[19]

According to the memories—uncertain at best—of TI staffers at the time, Lombardi did not attend the conference that would have fulfilled his most ambitious dreams. Neither Eigen nor Gillian Dell, a lawyer and corporate officer whose name appears on the invitation, have any recollection of why the hugely ambitious artist might have turned them down. Dell says she would have remembered if he had asked to speak incognito. His name does not appear on the October 1999 conference abstract, nor does TI have any expense records for him, but a lengthy

article on Lombardi published a year after his death in an influential left-wing German newspaper gives the strong impression that he addressed the conference in South Africa as his last public act.[20] One possible explanation only deepens the mystery: At the time of his death, Mark Lombardi's passport was missing. It was never found.[21]

The whiff of intrigue intensifies with the arrival of another German player on the scene. In October 1999, just as Lombardi's plans to speak in Durban apparently unraveled completely, an ambitious freelance journalist named Thomas Girst contacted Joe Amrhein at Pierogi, where Lombardi had increasingly directed his work in the anticipation that his first New York dealer, Deven Golden, might soon close his doors. Though he says he worked for 10 years in New York freelancing for the left-wing magazine *Die Tageszeitung* and other German publications as well as for the more staid *Financial Times*, Girst's true passion seems to have been art collecting—specifically, the art of Mark Lombardi. The well-fed, well-groomed Girst, who has made a seamless transition from left-wing journalism to public relations for BMW, says that, from the age of 14, he has bought whatever art he could, with whatever "limited means" he had. When he moved to Greenpoint, Brooklyn, in 1998, he said he was "looking into art dealing with political issues on an aesthetic level: How does it differ from muckraking journalism?"—a curiously specific synchronicity with Lombardi's twin passions. He said he first saw Lombardi's work in his Greater New York show at PS1 in February 2000, only weeks before the artist died and that, by the time he contacted Joe Amrhein's gallery Pierogi and asked to meet him, Lombardi was already deceased. However, Girst's email address is in Lombardi's work notes along with a note in the artist's handwriting to send him JPG images of Lombardi's work. Amrhein confirmed that Girst was in touch several months before Lombardi's death. When pressed, Girst said, "It might well be my memory is wrong and I contacted Mark before he died, which would explain why he sent me JPGs."[22]

Girst had a way around his "limited means" in the person of his

brother Carsten, a star broker in the City of London who commanded bonuses in the millions of pounds and who had made a killing in options and futures at the time. (Another curious synchronicity: Today Carsten Girst works as senior executive officer and general manager of the United Arab Emirates office of BGC Partners, a global financial services company formed out of the post-9/11 ruins of Cantor Fitzgerald, a securities brokerage whose main offices were in the World Trade Center where 658 of its employees died on the morning of the attacks. One of the stranger and more disturbing theories about the World Trade Center attacks is that they targeted a number of government securities specialists like Cantor Fitzgerald in order to create the kind of market chaos in which $240 billion in 10-year securities backed by a CIA slush fund created by some of the Enterprise players could be cleared electronically with no questions asked.)[23] Thomas Girst says that Girst talked his wealthy brother into buying the same BCCI drawing in which the Whitney had expressed such long-drawn-out and unusual interest. Amrhein said the deal was on the verge of going through when, as we shall see, a mysterious flood in Mark's studio destroyed the drawing on the eve of a major exhibition—the same PS1 exhibition at which Thomas Girst initially said he first became aware of Mark Lombardi and his work.[24]

On the first anniversary of Lombardi's death, on March 22, 2001, Thomas Girst published a piece in *Die Tageszeitung,* the left-leaning alternative daily newspaper commonly known as *Taz*, in which he said (according to a translation by a scholar from the Goethe-Institut in Los Angeles) that Mark's last appearance as the "expert of economic global machinations" was at the 1999 Transparency International Conference in Durban, South Africa; that he had started using a pseudonym after Ed Baker's mysterious death in Houston; and that he had been "warned" by an unidentified telephone caller to desist from a planned drawing of the five New York crime families. When pressed for an explanation of Eigen et al.'s denials that Mark ever spoke at Durban, either in his own persona

or pseudonymously, Girst said that he may have exaggerated for the sake of drama. “It’s my way of saying he was invited,” he said. The article was subsequently recycled into several other publications with never a call for a retraction. Girst’s extensive correspondence with Joe Amrhein reveals repeated efforts on his part to place the story after the artist’s death in the hope of being rewarded with some of Lombardi’s work as his values rose.[25]

In 2011, as strains in the US-German special intelligence relationship that would culminate in Edward Snowden’s revelations and the tapping of Angela Merkel’s phone were beginning to surface, the German government would finance a documentary about Mark Lombardi’s work. “They wanted to know more about this artist,” said Williamsburg artist Greg Stone, who providently bought two essential Lombardi drawings related to the Bush family around the time of Lombardi’s death and spirited one away to Germany. Stone also played a major role in putting the documentary together.

In October of 1999, Hilary Maslon picked up the phone and called Lombardi. “I just wanted to see how he was doing,” she said. “He jumped right in. I didn’t expect it. . . . Irv [Tepper] told me that he had talked about me a lot.” Mark’s resistance was “over,” Maslon said. “He felt really vulnerable to me.”

That may be wish fulfillment speaking, in the voice of a vulnerable woman who loved more than she was loved in return. Lombardi, according to almost everyone else who knew him, would never be married to anything but his work. “I always saw him as kind of a loner,” Amrhein said. “I knew he went out and partied a lot. He always came to openings alone.”[26] According to Maslon’s narrative, Lombardi now wanted to be with her all the time. His drinking buddies say he was already plotting how to get away from her.[27]

The uneasy couple bickered through the holidays, Lombardi’s lack of interest in securing them a coveted invitation to a trendy New Year’s Eve art party being one bone of contention. Maslon remembers they were

together “around Christmas–New Years” when the truck Lombardi had acquired was totaled by a hit-and-run driver while parked outside her loft at 38th Street and Ninth Avenue. She said the incident made him “totally paranoid.”[28] Others in the Williamsburg art ghetto mutter darkly that despair over the vehicle drove him to suicide along with other factors (including the loss of his relationship with Maslon) and that he thought she had something to do with it. His sister Lisa, who discussed it with him on the phone, said he always dismissed the crash as a bizarre accident: “He laughed about it and said, ‘Now I’m a true New Yorker without a vehicle!’ But at the same time it took away some of his autonomy. And he worried about how he was going to get another one. He didn’t get enough insurance. I do remember being worried about him then. I just remember thinking, ‘There’s another one.’ Another blow.” [29] He couldn’t jump in his truck and drive home to Syracuse anymore.

Things came to a head in February 2000. Deven Golden closed his doors just as Lombardi was preparing for the most important show of his career, the first, highly publicized curatorial collaboration between PS1 and the Museum of Modern Art. Showcasing “artists who have emerged as vital, creative voices in their field over the past five years,” it promised to be a “creative laboratory of massive proportions” for groundbreakers who “reveal what it is to be a New Yorker at the dawn of a new era.”[30] The show was scheduled to open on February 27, 2000, with several public dialogues between artists and writers—the kind of dialogue Mighty Mouth fiercely relished and in which he excelled in commanding attention—scheduled to take place in April. It would be a tremendous opportunity for Lombardi to trade up in representation: Golden said the ambitious artist was looking to sign with Julian Schnabel’s dealer, Larry Gagosian.[31]

Almost immediately, Maslon announced her plans to go to a wedding in Brazil in mid- to late February. She says she was planning to go without Lombardi. He, of course, was consumed with preparing for the big show. Maslon left for Brazil without him at Lent, effectively

boycotting his opening night. He buckled down to finishing his preparations with a certain sense of relief.

On February 17, 10 days before the PS1 show was scheduled to open, a ceiling-mounted sprinkler pipe flooded Lombardi's loft and badly damaged the third version of his BCCI drawing, the centerpiece of the show. Lombardi was beside himself. According to Deven Golden, *BCCI 3* was his "ur-drawing," his masterwork, the key that "contained" all his other drawings. Although Golden was a little fuzzy on exactly how the "key" worked, a close examination of the damaged drawing reveals that he is correct in essence. Lombardi had arranged all the scandals depicted in his previous drawings along three major timelines and showed how they all connected to one another in one huge system to form BCCI. However, the drawing is about much more than BCCI. It is indeed a masterpiece, both a panoramic history painting in the classic sense Lombardi described in his long-ago dissertation for Jim Harithas and a brilliant 21st-century piece of social network analysis. It depicts not only BCCI, but also its origins and future iterations. It is a map of corrupt financial metastasis, of the mutations of the Enterprise itself, and of the Bushes' recurrent role in it.

Determined not to lose his shot at both stardom and revenge, Lombardi worked four days nonstop to re-create the huge drawing. Many of the artist's friends, colleagues, and family members believe that the effort of reconstructing the eight-foot drawing, which one critic beautifully described as a "cumulus cloud" of information, unhinged the artist and drove him to suicide.[32] Eight months after Lombardi's death, the reconstructed drawing and 10 preparatory sketches were finally sold to the original bidder, the Whitney, which has put them into storage indefinitely.

Rafael Vargas-Suarez, who propounded the theory that Lombardi killed himself for love of Maslon and was to play a strange role on the night Lombardi's body was discovered hanging in his studio, put forth the novel idea that, under increasing emotional pressure—not from Maslon

but from exploding demand for his work—Lombardi broke the sprinkler pipe by trying to hang himself from it before the PS1 show but did not succeed. "The guy had issues. All of that success and he wasn't happy. . . . He wanted to finish the drawing, hang himself, and leave the door to his loft open so they could see him when they came to pick up the drawing for the show. But he broke the pipe and ruined the drawing. My instinct is that he finished the drawing, finished the show, and did it again."[33] The mechanics of Vargas-Suarez's theory are dubious. Sprinkler pipes are not easily broken, even by the weight of a human body. The origins of the flood in Lombardi's studio have been attributed to a defective sprinkler head, not a broken pipe.[34] However, the system can be triggered by an external event, such as heat or a sharp blow delivered to the pressure gauge in another apartment, particularly in one upstairs.

Lombardi, the Amrheins said, was perfectly happy with the reconstructed piece. "He agreed, with others, that the new piece was even better than the original because he had been able to add information that had been missing and revise certain things." As is true so often in this story, the collective narrative can be misleading. Lombardi did not ruin the original. The entire drawing, water damage and all, was put up for sale at Gagosian Galleries in 2014 for $450,000—almost twice as much as any of his undamaged drawings—because, Joe Amrhein said, it represents the "emotional state of the artist at the time."[35] By an extraordinary coincidence, Lombardi's former upstairs neighbor, Sam Orlofsky, was working at Gagosian as a curator in 2014.

Lombardi did, however, change a significant detail in the major piece, as evidenced in a small, 8-by-12-inch panel, also severely water-damaged, which appears to be a link to another fulcrum of Lombardi's work, a series of six drawings on the subject of World Finance Corporation. Before his death, Don Lombardi said, the artist gave the panel to his parents, who furnished me with a copy. Under strong light, and with the aid of several magnifiers, the damaged panel is partly legible. It links BCCI Miami with the Israeli Bank Hapoalim and a lot of

Israeli names, like that of Michael Harari, identified with Mossad. It also contains links to the city of Bogotá and the Colombian government, which connect with the parallel series of drawings Lombardi executed between 1994 and 1999 on World Finance Corporation, the banking front run by Guillermo Hernández-Cartaya, a double agent who helped the CIA launder Colombian drug money.[36]

The panel describes long-hidden aspects of Operation Watchtower, one of the most compromising of all Shackley's private CIA's ventures, and how it linked into BCCI Miami. To a certain extent a public figure, a hero of both the legendary 1976 Israeli raid on Entebbe and of Operation Wrath of God, Israel's response to the slaughter of its athletes at the1972 Munich Olympics, Harari even has his own Wikipedia entry. But Wikipedia and almost all other sources except for Joseph Trento are mum on the subject of Harari's activities in Latin America in the late 1970s, when he participated in Operation Watchtower, a highly illicit CIA/Mossad operation laundering Colombian drug money to empower Panamanian dictator Manuel Noriega. Watchtower was a product of CIA's own legend, Ted Shackley, who then with partner Tom Clines used it to frame his rival Edwin Wilson.[37] Four Special Forces colonels and a congressman were killed in suspicious circumstances after threatening to go public with their affadavits in the 1980s. The truth only came out almost four years after Lombardi's death—and two years after Shackley's—when Texas federal judge Lynn Hughes exposed false evidence used by the US government in prosecuting Wilson, released him from prison after serving 13 years, and investigative journalist Joseph Trento told his story.

The damaged panel differs substantially from Lombardi's reconstruction, which connects BCCI Miami with Houshang Lavi and other figures apparently hastily culled from *The October Surprise* by former NSC official Gary Sick, generally considered an authoritative account of the 1979 hostage crisis. In Sick's telling, Lavi, an Iranian expatriate arms dealer, allegedly offered to arrange the release of the

hostages to a representative of the American Republican Party in exchange for spare airplane parts and an embarrassment to the incumbent President Jimmy Carter, which would hand the upcoming election to Ronald Reagan. However, there is a very important albeit hidden connection between the two panels—Ted Shackley.

The famous "October Surprise," which got rid of Carter, was bankrolled by Shackley's financier, Kamal Adham, director of Saudi Intelligence and principal of BCCI, who worked with George Bush Sr. to create a network that could fund covert activities worldwide. Shackley was said to be the source of the leak of Carter's secret plan to free the hostages to the Reagan-Bush campaign.[38] At the time of the disastrous flood in Mark Lombardi's studio, Shackley was working again as a political operative on yet another Presidential campaign, that of Bush Sr.'s boy, George W. Bush. Prince Turki al-Faisal had succeeded Kamal Adham as head of Saudi intelligence.

VARGAS-SUAREZ AND MASLON (who wasn't there) said that Mark looked like a zombie at the time of his big opening at PS1, with a "perma-smile" frozen on his gaunt, sunken-eyed face. The Amrheins say that Lombardi was the star of the show and his reconstructed BCCI drawing the absolute center of attention. He seemed perfectly happy as any artist would be, welcoming all inquiries with his usual gregarious, toothy charm. Family members who spoke to him at the time said he seemed tired but normally so after his big push, and highly elated at the success it brought him. "People were lining up to meet him," according to fellow artist Greg Stone, a late addition to Lombardi's circle of friends who worked on PR for the German documentary made in 2012. Two months before Mark's death, Stone—who was also to buy a 1999 drawing which focused exclusively on Bush family business and its crossovers into the Democrats' establishment, *George W. Bush, Harken Energy and Jackson Stephens, c.1979–1990*—bought the sixth version of *World Finance Corporation* as well, which he sold privately in 2013 in what he termed a

“financial clusterfuck”[39]

Stone said he was there in the middle of the jostling throng at Lombardi’s PS1 opening, eavesdropping assiduously to the buzz around New York’s latest sensation. “And they weren’t people from the art world. I didn’t hear a word of the usual crap you hear at art openings. No—these were people from outside: lawyers, politicians, financiers, prosecutors. All the conversation I overheard was about, ‘I know that guy! I prosecuted him!’ . . . ‘No! I defended him!’ . . . ‘No! I was in business with him! I didn’t know he was into that’—I mean, it was amazing. I had never seen anything like it in the art world before.”[40]

Two weeks later, Mark Lombardi would be dead.

9

AN ARTIST COMMITS A SUICIDE

"Anyone can commit murder, but it takes an artist to commit a suicide."

—OLD SAYING OF THE OGPU (SECRET POLICE OF THE SOVIET UNION, 1922–34)

ON MARCH 9, JOE AND SUSAN AMRHEIN REVISITED THE SHOW at PS1, which was due to close. Mark was holding court, enthusiastically chatting up an important Italian curator in anticipation of his debut as a talking head in April, when MoMA had scheduled a series of public dialogues pairing knowledgeable writers with artists talking about their work. They enjoyed a laugh about how, typically, he seemed never to have gone home. That night, he told them he wanted Joe to remove all his remaining work from his studio to the gallery because people were calling him to set up appointments for studio visits and he didn't want to be distracted from the planning stages of a new body of work. "He sounded completely levelheaded. . . . We didn't think it was strange at all," Susan Amrhein said. The next day, he delivered a detailed list of 63 pieces he had methodically catalogued plus 10 he noted he was framing to Pierogi, along with many of the smaller and medium-sized pieces.

One of the distractions Mark wished to avoid was his upstairs neighbor Sam Orlofsky's father, a wealthy real-estate attorney whose interest in privately acquiring 35 small Lombardi drawings was fanned by the success of the PS1 show. Around this time, Orlofsky Sr. scheduled the studio visit for which his son failed to show up. Sam Orlofsky said he was surprised by the fact that Lombardi didn't seem as upset as he expected

him to be when the much-anticipated studio viewing aborted. Lombardi's sangfroid was perhaps due to the fact that Lombardi already had disposed of the drawings and had considerable cash in hand and the promise of more from his brilliant opening at PS1. Moreover, he had a date with Lindsey Nobel—in whom Orlofsky, 25 years his junior, had expressed an interest—to go skiing the following week.[1]

Sometime between the evening of March 9 and the morning of March 15, when Joe Amrhein went over to Lombardi's studio to pick up 22 remaining pieces, a dramatic change occurred. The heretofore cocky artist suddenly seemed very strange, tense, and fearful, and he answered curtly to Amrhein's concerned inquiries that he was having trouble sleeping. He told the Amrheins he was thinking about moving to Australia, where his old friends from Houston, the Homad-Johnsons, lived. The following night, he cancelled a date with Maslon, who was back from Brazil, and he never showed up at several of the art soirées he was so fond of. Amrhein said he called several times and, when he didn't get a call back, assumed that Lombardi had taken off, as he often did, to relax at his parents' home in Syracuse.

One reason for Lombardi's sudden slide may have been a small item that appeared on March 12, 2000, in *Intelligence Newsletter* (now *Intelligence Online*), a highly specialized, Paris-based publication that reports fortnightly on secret diplomacy, money-laundering, political instability, terrorism, espionage, and organized crime for the government and corporate intelligence community and which Mark read. The newsletter ran a story that George W. Bush's presidential campaign—on which political cutthroat Karl Rove and former "wet ops" expert Ted Shackley were teammates—could run into trouble over the candidate's association with Khalid bin Mahfouz, who was under investigation by American authorities for surreptitiously funding a terrorist organization called al-Qaeda through his charitable foundations. Bush's arm's-length dealings with bin Mahfouz had not yet been examined at length in print, but Lombardi had recently completed a new drawing on the subject of

George W. Bush's gravity-defying oil company that treated the subject extensively, and which he no doubt looked forward to addressing in his public talk for MoMA. The connections, potentially embarrassing to the Bush campaign, between Bush and bin Mahfouz are front and center in that drawing, *George W. Bush, Harken Energy, and Jackson Stephens* . In the drawing, James R. Bath and his interlocks form the central "node," or hub of information, summarized (in current NSA telephone search parlance) in four "hops," or arcs, between Harken shareholders and directors Abdullah Taha Baksh and Talat Othman, BCCI subsidiary Saudi (European) Bank (S.A.) Paris where Ed Baker did business, Sheikh Salem bin Laden, James R. Bath, and George W. Bush.

These connections would soon be of interest, this time to the FBI. In March 2002, as part of an interagency investigative unit including the US Customs Service; the IRS; the Secret Service; the Bureau of Alcohol, Firearms and Tobacco; the Office of Foreign Asset Control; the Financial Crimes Enforcement Network; the Naval Criminal Investigative Service; and the US Department of Justice, the FBI raided 14 interlocked businesses in Herndon, Virginia, associated with the SAAR Foundation, an Islamic charity allegedly funded by the bin Mahfouzes among other prominent Saudi banking families, for evidence of terrorist activity.[2] Not only did Talat Othman, who opened the 2000 Republican National Convention with a Muslim benediction on Bush's behalf, represent Baksh's interests at Harken, he sat on the board of Amana Funds, a Sharia-compliant mutual fund, along with Yaqub Mirza, chief executive of SAAR Foundation. No incriminating evidence was found by the FBI. After SAAR was raided, Grover Norquist, the arch-libertarian anti-tax activist who worked with Oliver North's support network and engineered George W. Bush's surprising level of support from movement conservatives in the 2000 election,[3] arranged a special meeting between Othman and Secretary Treasury Paul O'Neill so Othman could air his complaints. Bin Mahfouz later sued an Israeli-born criminologist, Rachel Ehrenfeld, for alleging in her book *Funding Evil* (introduction by former

CIA chief R. James Woolsey) that "documents seized during the raid reportedly show that money from these charitable organizations was sent to al-Qaeda cells around the world, most often through the international banking system"; and that pressure from the Saudi government was enough to stifle further action.[4] The hitherto successful interagency task force known as Operation Green Quest was disbanded in 2003, allegedly because of jurisdictional disputes.

Abdullah Taha Baksh had close ties to bin Mahfouz, who was Baksh's banker at Saudi Arabia's largest financial institution and the bin Mahfouz family enterprise, National Commercial Bank. As chairman of Baksh Kellogg Saudi Arabia Ltd., a Halliburton subsidiary, Baksh was also closely tied to Dick Cheney.[5]

According to *The New York Times*, bin Mahfouz reportedly contributed most of the $20 million endowment of a charity known as Muwafaq ("Blessed Relief").[6] According to Joseph Trento, a 1996 CIA report on Islamic non-governmental agencies and their connections to terrorism (probably initiated on the watch of R. James Woolsey, who wrote the introduction to Ehrenfeld's book and who left the CIA in 1996) stated that Muwafaq funded the Egyptian Mujaheddin battalion in Bosnia and had ties to Al-Gama' at Al-Islamiyya, the Egyptian precursor to al-Qaeda.[7] In October 2001, the US Treasury Department "specially designated" the head of Muwafaq, a respected Saudi businessman named Yassin Kadi, as a global terrorist and identified Muwafaq as an al-Qaeda front "funded by wealthy Saudi businessmen."[8] Kadi denied the charges, and bin Mahfouz was not so designated.

In 2005, bin Mahfouz, who had settled fraud charges in New York courts arising from his 20 percent ownership stake in BCCI by paying $225 million in lieu of fines, won a string of lawsuits against writers, including Ehrenfeld and French investigative journalist Jean-Charles Brisard, who accused him of funding terrorism through his charities. Bin Mahfouz adroitly used draconian anti-libel laws in Britain—a practice known as "libel tourism"—to win his suits on the basis that no legitimate

connection to him could be found. Ehrenfeld's case prompted the Free Speech Protection Acts of 2008 and 2009—the year bin Mahfouz died of a heart attack—which barred US courts from enforcing libel judgments issued in foreign courts against US residents if the speech would not be libelous under US law. Brisard, who with his writing partner, Guillaume Dasquié, made the case that the FBI was hamstrung prior to 9/11 primarily because US officials were unwilling to make an issue of al-Qaeda's connections to wealthy Saudis, was himself hamstrung by a conflict of interest: His consulting firm, the JCB Consulting Group, was a paid investigator for a group of 9/11 victims suing bin Mahfouz, among hundreds of others, for funding al-Qaeda. JCB claimed that a report it prepared, naming bin Mahfouz as one of seven main Saudi sponsors of al-Qaeda, was commissioned by the UN, but the UN denied it. It is noteworthy that bin Mahfouz did not sue Trento, who exposed the same linkage between bin Mahfouz, Baksh, and Othman when his book was published in 2005 that Lombardi delineated in his *George W. Bush, Harken Energy and Jackson Stephens* drawing five years earlier.

BUSH'S TIES WITH Baksh et al. occupy the right-hand side of the 24.125-by-48.25-inch drawing, *George W. Bush, Harken, and Jackson Stephens*. Less dominant, though prominently displayed on the left, is another set of connections that the Bush campaign team, particularly Ted Shackley, might have preferred to keep hidden from public view. It revealed linkages between Bush and a Harvard-educated lawyer named Alan Quasha, who controlled 20 percent of Harken's stock and engineered a substantial investment in the never-very-successful company on the part of Harvard University's fund, Quasha's father William, and the corrupt ex-president of the Philippines Ferdinand Marcos.

Unpacked, these connections open a whole new hemisphere of investigation that Lombardi, given more time, might have pursued and put together with the rest of the "one continual drawing in his head," providing a map of the entire global enterprise of privatized covert

funding. That he was preparing to do just that is evident in the flood-damaged version of *BCCI-ICIC-FAB*, in the place held by a miniaturized study of *George W. Bush, Harken Energy and Jackson Stephens* , and the name of a "new" player, a yakuza businessman, Ryoichi Sasakawa, who appears in the same quadrant of the drawing. If, following Lombardi's dealer Deven Golden's logic, each drawing connects to the next by a key middleman, the Quashas would have connected the next major segment of Lombardi's work.

William Quasha, an American citizen who headed Republicans Abroad, became one of the most powerful attorneys in the Philippines after serving there in World War II. He served as General MacArthur's alien property administrator after the war ended, where his off-record duties would have included overseeing the concealment of $44 billion worth of Japanese gold, jewels, and other treasure—much of it acquired through the vile Rape of Nanking. Under the terms of a secret agreement set up by Franklin Delano Roosevelt's secretary of war, Henry Stimson, in 1944, the spoils, augmented by Nazi gold, became a slush fund for unauthorized covert anti-communist operations worldwide in the decades following the war.[9] Stimson's assistants included John McCloy, Prescott Bush's colleague at investment bank Brown Brothers Harriman; Robert Lovett of Huntsville, Texas (who as Harry Truman's secretary of defense directed the Korean War); a former Republican legislator from Berleson, Texas, named Robert B. Anderson (who became Eisenhower's secretary of the navy, then secretary of defense, and, finally, secretary of the treasury); and a young lawyer named Clark Clifford (who became BCCI's Washington facilitator). Ted Shackley's business partner, Ray Cline, sought control over the treasure. Much of the gold was hidden in the Philippines, where it somehow ended up in the private bullion accounts of Ferdinand and Imelda Marcos. Anderson, Clifford's mentor, set up the covert Black Eagle Trust that was to make these funds available for "global political action" in the Cold War. Many of them were sequestered by the cluster of private military firms and intelligence organizations,

including Ted Shackley's private CIA, which had mushroomed in the 1980s after Carter and Stansfield Turner's purges and were funded—in part—by hard-right organizations like the John Birch Society and the Moonies and a loose-knit coalition of conservative business tycoons.[10]

William Quasha died in 1996. His son Alan, a former governor of the New York Stock Exchange, aside from investing the Harvard endowment, today runs both Quadrant, his own investing company, and an oil and gas company, HKN Inc. At age 62, he is described as "the secretive most powerful man in the world" and "the biggest mastermind in Republican politics, the behind-the-scenes mover and shaker across the entire Republican Party."[11] He is both the man who saved George W. Bush's Harken Energy from ruin in 1986 and the man who bankrolled Hillary Clinton and longtime Democrat fundraiser Terry McAuliffe.[12] When he met McAuliffe and his new employer Alan Quasha at a gala, the respected financial columnist James Altucher said, "They are laughing at you and me, my friend. The war is over for them."[13]

As the years wore on, the black gold trust slipped out of government control. It became increasingly directed by America's extreme right wing, and increasingly corrupt.[14] Mark Lombardi documented many of the connections that enabled the Marcoses to salt their illicit gold profits in the United States in a drawing not contained in either of his two major catalogues on the Honolulu investment firm of Bishop, Baldwin, Rewald, Dillingham, and Wong, a CIA conduit for sheltering the monies of highly placed diplomats and businessmen who wished to export cash to the United States. The existence of Marcos private bullion accounts filed with looted gold in China and Switzerland made news in December 1999, just as Lombardi was preparing for his big break at PS1.[15] The drawing, along with *George W. Bush, Harken Energy and Jackson Stephens* —the same drawing purchased by Greg Stone out of the estate immediately after the artist's death—was one of those he asked Joe Amrhein to remove from his studio.

In the two weeks before his death, the artist seems to have been

plotting an escape rather than a suicide. As was his habit before moving somewhere new, he gave away a good deal of his work, to the Amrheins and Jim Harithas among others. Artist Fred Tomaselli, who had introduced Lombardi to Joe Amrhein and was still making his "chemical celestial starmaps" out of pills, says Lombardi came over to his studio on Driggs Street, just around the corner from Pierogi, and gave him a BCCI signed limited-edition lithograph and a small preparatory sketch, to thank him for introducing him to Pierogi. "I was very moved by the fact that he would give me work that had monetary value," said Tomaselli, who has "no idea" what the work is worth today. "I wouldn't sell for anything." (Tomaselli is still friends with Pierogi's owner, Joe Amrhein, who told the author recently that a Lombardi is for sale for $450,000 through high-end dealer Larry Gagosian.) He gave Jim Harithas an original large BCCI drawing, the second version that had created so much buzz at the Drawing Center.

The *Rashomon* effect takes over in the two weeks before Lombardi's death: It is hard to find two accounts that agree with each other. Hilary Maslon—to whom Lombardi did not give any work—remembers the last time she saw Mark as sometime between the end of Lent and the second week of March. They met up on a bizarre date to watch the elephants from the Barnum & Bailey Circus walking through the Queens-Midtown tunnel. Maslon said that Lombardi's "obsession" (about her) scared her. She was buying 200 acres of land and a lake in Mississippi to set up an artists' colony and had another man in her life. In their last phone conversation, she says Lombardi told her that after the breakup of his marriage he never planned to get romantically involved with anyone again. She said he was acting schizophrenic: "On the one hand, he didn't want to get involved, and on the other, he talked about moving in together. He said I took him by surprise. I guess he fell in love with me." Maslon may have rewritten emotional history to salve a wounded ego. She says her memory was disordered by trauma. She could not initially recall the date on which her lover was found hanged and asked the author

repeatedly to tell her how long he had been dead when he was found, a question that cannot be answered because the police reports never established a time of death.

She does remember that she called him on March 15, the day Amrhein saw Lombardi at his studio. She left several urgent messages on his answering machine that he never returned. Maslon asked the author repeatedly about the answering machine, as did Lombardi's family, who asked the police department to return it and never got it back. The police officers who were to answer Maslon's 911 call on the night of March 22 told the author there was no answering machine in Lombardi's studio when they arrived.

One reason Mark did not return Maslon's calls was that he went skiing with Lindsey Nobel on Wednesday, March 16. They took the 7 AM shuttle together from Paragon Sport in Manhattan to Hunter Mountain. Nobel, who saw Lombardi at least once a week and went to openings and parties with him, said he was in good spirits, happy about the fact that, because of the PS1 show, people were really starting to pay attention to his work and, for the first time in his adult life, he had real money. "He was definitely looking ahead. He said he was financially stable. He had forty, maybe even fifty thousand dollars he earned selling his work privately and through Pierogi. He was thinking about what to do with it. He could get a place in the mountains upstate, get the hell away from New York for a while, just do his work in peace." They were both expert skiers. Lombardi taught her a new trick, skiing without socks ("Your feet get better circulation"). He never once mentioned his ex-girlfriend, Maslon, who would tell police she was afraid he was despondent over the state of their relationship and, implicitly, might do himself harm. In fact, Nobel said, Lombardi spent a lot of the time they were together looking around him at the winter scenery and musing that life was beautiful.

"Maybe I'm just an asshole," Nobel said, "but I don't think anyone over 40 kills himself for love. You'd mention it at least once if you go skiing with someone—'I can't live without her' kind of thing. It's just

my personal opinion, but if someone's in love with someone, then his whole goal is to get that person back. Artists are so self-absorbed. There's no way they're going to kill themselves over someone else. . . . The only reason to kill yourself is boredom."[16]

Lindsey saw Lombardi once more, on the following Friday night, March 18, when they went to an opening-night party at Leo Koenig's gallery on Canal Street. In the intervening two days, she saw a big change in him. There was a liquor store on the corner. Lombardi gave Lindsey $3 to go in and buy him a beer and cigarettes because he said he was being followed and he didn't want anyone to see him. "I'd never seen him paranoid before," Nobel said. "He said people were pissed off with him—the Bush family. He was worried about his kid back in Houston, because of his work."[17] Nobel says she "bugged" Lombardi repeatedly over that weekend, leaving message after message on his answering machine. She never got a call back. Attempts to contact Mark Lombardi's son were unsuccessful. The Lombardi family declined to provide any contact information on the grounds that "He wanted to be kept out of it." Members of the art community said they heard "The call had gone out to circle the wagons" at the time of Lombardi's death to avoid inheritance issues.[18]

She says that the rest of the young group with whom Lombardi liked to party—Vargas-Suarez, Sam Orlofsky, artist Dan Zeller, even the Amrheins—also became increasingly concerned and left messages to no effect. "Everyone," Lindsey said, wanted to take him out for a big party for his 49th birthday on the following Wednesday. But no one, not even Sam Orlofsky, who lived half a flight of stairs up and passed the entrance to Lombardi's studio several times a day, apparently thought to knock on his door.

Irv Tepper, whose studio Lombardi took to visiting almost daily in the final weeks of his life, may have been the last person in the Williamsburg art ghetto to see him alive. Lombardi paid him a final visit the day before his body was found. "He was really out of his mind,

talking about being a 'monkey on a chain,'" Tepper said. "I didn't want to see him again for a while. He made no sense. He was really on edge." Lombardi allegedly killed himself the next day.

"I don't understand why you would commit suicide if you thought someone was going to kill you," Lindsey Nobel said. "Why help them out and speed it up? You'd try to protect yourself. We're survivors. You try to survive."

Maslon suffered a surge of anxiety over that weekend as she tried to reach Lombardi. She said his mother called her to ask if she'd heard from Mark, a story Shirley Lombardi flatly denied. Nevertheless, Maslon says she left another message on his answering machine saying, "I haven't heard from you, your mother hasn't heard from you. We're upset. Please call me back. If I don't hear from you, I'm calling the police." She also called Rafael Vargas-Suarez two or three times to ask him to check on him. He did not return her calls. "Probably," she says today, "because he didn't want to invite me to Mark's birthday party." She may be right. Members of the birthday party that was never to be suggest Vargas-Suarez was avoiding what he thought was Maslon's obsessively jealous attempt to pry into the private life of a boyfriend with whom, after all, she had already broken up. "Maybe," Maslon said, "he didn't want me to know [Lombardi] was with someone he didn't want me to know he was with."[19] Vargas-Suarez was not available to comment. Maslon says that Vargas-Suarez was "with" Lindsey Nobel the night Mark Lombardi died.[20]

If Lombardi was planning to escape, he did not want anyone to know what he was doing. His mother, Shirley, who talked to him on Sunday, March 20, two days before he was found at midnight hanging from a sprinkler pipe in his studio, said he seemed very buoyant at the time of their last conversation, pleased with his success—and looking forward to moving in with Hilary Maslon (a revelation that astonished Maslon). He called Jim Harithas that day to tell him, jubilantly, that he was finally in a financial position where he wouldn't have to take a day job for two years

—and that he was in the market for a better-looking girlfriend. “He was a typical male artist,” Nobel said. “They don’t die for love.”[21]

The following Tuesday, March 22, Maslon says she went to the opening of the Whitney Biennial to see if Lombardi was there or if anyone had seen him. Lombardi’s mother said Maslon had a date to meet him.[22] It was the day before Lombardi’s 49th birthday and the 20th anniversary of his wedding to Day Barlow. Sam Orlofsky, who says he was also at the Whitney opening, does not remember seeing Maslon. Curiously, Maslon said she remembers calling “someone in the building” in her panic to find Lombardi. Orlofsky, with whom she and Lombardi had socialized, would have been the most likely person, but he said he “could not be of any use” in helping reconstruct the events of the evening. Maslon also said Lombardi’s mother called her while she was there and asked her to file a missing persons report on Lombardi because she hadn’t talked to him in days.

In the midst of the throngs and the hoopla at the opening of the Whitney Biennial, Maslon said, she had felt a gut-wrenching intuition. “I went outside and sat down on the curb and started to cry because I knew he was dead.” She says she told one of the police stationed outside the Whitney that she and Lombardi had just split up, that he was taking sleeping pills, and that she was worried about him, and she filed the missing persons report. Then she went home. Larry Rinder, who curated the show and was at the opening, has no recollection of such a dramatic event.

Sam Orlofsky said he arrived home at between 10:30 and 11 that night and passed Lombardi’s open door on his way upstairs to his own apartment. He recalled that the police had already been there and were on their way out.[23] But it was not until 11:55 that the 90th Precinct received a phone call from a female caller who identified herself as Hilary Maslon, stating that she was the girlfriend of Mark Lombardi, residing at 435 South Fifth Street in Brooklyn, that she had not heard from Lombardi in over a week, and that he seemed somewhat depressed lately over their

relationship. Maslon maintains that she went to Mark's studio to meet the police, but according to the police, she stayed in Manhattan.[24]

"She should have gone to Williamsburg and identified the body," said Irv Tepper, to whom she admitted she wasn't there. "She should have been there when they opened the door. She made the call. She had broken up with the guy. I guess I understand it. OK, it would have inconvenienced her. She was in Manhattan. I certainly would not have trusted the police to go in unescorted. That's what makes the whole thing such a can of worms."[25]

The Lombardi family believes Maslon was in Williamsburg the day before, arguing with her suicidal boyfriend through the door.[26]

JUST AFTER MIDNIGHT on March 23, 2000, Officer Hendricks of the 90th Precinct, brand-new to the job, pushed open the transom at 435 South Fifth Street. It opened easily, as he recalls. There was no need to break it. "There he was, right in front of me," said Hendricks, who still works across the street in the station that still ministers to the Dominican street kids who now come into the station to razz the cops and get protection orders against cyber-bullying. It was his first suicide. He remembers only one other in the 14 years he has served at the 90th. It was the morning of what should have been Mark Lombardi's 49th birthday. Hendricks remembers that he looked young for his age. "Well, he didn't look so good by the time I saw him," the officer said.

Lombardi, neatly dressed in a dark-blue shirt, blue pants, and socks, was hanging from a "nylon-type" rope slung over one of his sprinkler pipes with an open bottle of champagne suspended from a string beside him.[27] Hendricks said that, when he opened the transom, the artist's livid face was almost level with his own. He appeared to be looking straight at him. There was nothing in the apartment but a bed, a table, an overturned chair, a stereo, and a lot of drawings, which seems strange as, according to Joe Amrhein, Lombardi had cleared out most of his work and taken it to Pierogi. Lombardi was facing the stereo, which was playing rock music

loudly. “I remember that seemed odd,” Hendricks said. “Most people, when they leave the radio on to make it sound like they’re home, they leave it low. This was really loud.” Loud enough to make Hendricks decide to open the transom, and certainly loud enough for Sam Orlofsky to have heard on his way up the stairs. Mark was known to play white noise on his radio to block out street noise and help him concentrate.[28]

According to the report of the medical examiner who arrived an hour after the police, a full bottle of Tylenol PM was in Mark’s shirt pocket, a half-smoked joint on his nightstand, and Tylenol PM tabs scattered all over the floor. The overturned chair was underneath him. Hendricks, on the other hand, said he didn’t remember seeing any pills. He remembered thinking that the half-open bottle of champagne suspended next to Mark’s body was odd, too. “I’ve never known anyone to take a drink on the way out,” Hendricks said. What was odder was that Mark was known to hate champagne. He didn’t even like wine. Beer was his tipple of choice.[29]

Police are human beings too, and Hendricks, the young rookie whose first “suicide” this was, is still obviously plagued by doubt. What strikes other professional observers is that the most basic standard procedure, establishing time of death by taking the rectal temperature of the body and comparing it to the ambient temperature, which also helps determine if the death occurred at the scene or elsewhere, was not followed at the scene: Instead, the medical examiner estimated from the distension and slight discoloration of Lombardi’s abdomen that he had been dead at least 24 hours.[30] According to the Lombardi family, an autopsy the next day revealed signs of Tylenol, alcohol, and marijuana in Mark’s body, but they played no role in his death.[31] It takes a maximum of 3.2 hours for a normal adult dose of acetaminophen, the active ingredient in Tylenol, to be excreted from the system, usually by urination. If Mark had been dead for at least 24 hours by the time the police found him, he would have excreted all signs of Tylenol as well as those of alcohol. Traces of it would have been found in the carpeting underneath his body that absorbed the fluids that exited his body, but that carpeting was cut up and

removed, presumably by the police, who say they have no record of it.[32] If not oddest then certainly saddest of all, of all the people the gregarious artist knew in Williamsburg including his friends in the building he lived in and who were home at the time, no one who knew Mark Lombardi appears to have identified his body at the scene.

The police say that Maslon never came to the apartment. In her eagerness to convince them of his depressed state, Maslon neglected to inform the police that Lombardi's elegant drawings, which were becoming not only highly successful but also highly visible to the public eye, were art-as-information investigating the interconnections of the global money-laundering business. Perhaps it is not so odd that the police did not examine Lombardi's work, merely noting from the large number of drawings still in his studio that the deceased "appears to have been an artist" ("I wouldn't know one of his drawings from the Mona Lisa," Hendricks said). But then again it is odd, because the FBI was fully aware of Lombardi's art. Shortly after 9/11, agents showed up at the Whitney Museum of American Art to examine his masterwork on the subject of BCCI and asked to remove it (the museum refused). Two years before she died, Shirley Lombardi said, "It has always bothered me, just exactly how the FBI knew it was there."[33]

In October 2001, when the artist had a memorial show at the Drawing Center in New York, the show was closed on opening night by nameless security officials.[34] Five months later, Operation Green Quest, which came into being at the same time as Lombardi's memorial, raided the offices of the Virginia-based Islamic charities whose Bush-backing Saudi funders were highlighted in Lombardi's work. Ironically, the FBI had been examining the wrong drawing: The information it sought was displayed much more prominently in Lombardi's *Harken Energy* drawing, which had by that time been purchased by Greg Stone and spirited away to Germany.

After a perfunctory investigation lasting two days that consisted of brief interviews with Maslon and Lombardi's parents, the Williamsburg

police declared his death a suicide based on three pieces of evidence. The studio door, securely locked from the inside, showed no signs of forced entry. Lombardi's body was not marked by "visible signs of trauma" (i.e., struggle), and the hasty autopsy, which determined that he died from asphyxia caused by hanging, also determined that his injuries were consonant with having hanged himself.[35]

However, by the end of Mark's life, by stint of strenuous dieting and constant exercise to continue to attract the much younger women he desired, he only weighed 125 pounds and could be easily overcome by an assailant. As Officer Hendricks pointed out, the transom by which the police entered was not secured, either by lock or by plaster, which means that others could have gotten in—or out—the same way they did. The fact that the artist's body did not show telltale signs like scratches, bleeding, or bruising, other than the mark of the rope at the nape of his neck, is inconclusive in itself. As aficionados of John le Carré (like Don Lombardi) and practitioners of jujitsu should know, death can be caused almost instantaneously without leaving any marks by relatively light pressure to the "carotid neural complex" found in the large structures of the throat like the hypopharynx, the larynx, the horns of the thyroid, and, particularly, the carotid sinus and its adjacent arterial sheath. Noted forensic pathologist Bernard Knight devotes an entire chapter of his definitive postgraduate textbook on the medico-legal autopsy to fatal pressure on the neck as "one of the most complex and controversial areas of 'asphyxial' deaths, as the mechanism is uncertain and the frequency of such deaths makes them a common problem for both forensic pathologist and jurist."[36]

One of Knight's main points, made at some length, is that it is easy and in fact commonplace to confuse and/or conflate asphyxia with sudden cardiac arrest as the mechanism of death by hanging. Pressure on the baroreceptors, sensory neurons in the carotid artery that help regulate blood pressure, creates a cataclysmic nervous response variously called "vagal inhibition," "vagal shock," or "reflex cardiac arrest," which stops

the heart before any evidence of asphyxia sets in. It is relatively easy to produce. Knight reports a case in which a soldier at a dance playfully "tweaked" his partner's neck and was mortified to see her drop lifeless to the floor (not nearly as mortified as she was, to be sure).[37] Presumably the soldier was not so clumsy as to administer either a jujitsu "commando punch" in which the edge of the hand is brought forcibly to the side of the neck or the front of the larynx and stimulates a vagal response, or an armlock, otherwise known as a chokehold or sleeper hold, which has been banned by a number of police forces because of the number of inadvertent fatalities it has caused by reflex cardiac arrest, especially in situations where a combative subject has been drinking alcohol, as Mark habitually did. In John le Carré's *A Call for the Dead*, which introduces the immortal George Smiley, the death of a woman sitting in an open theater box in full view of the audience is caused by a man posing as her companion, affectionately draping an arm around her shoulder and then quite lightly squeezing her larynx under cover of the performance. Mark's father, Don Lombardi, the avid le Carré fan, might have recollected that Dieter Frey murders Mrs. Fennan by "a single point of pressure applied to the larynx, in particular to the horns of the thyroid cartilage, causing almost instant death." The former intelligence operative's unusually astute coroner further notes, "It would appear Mrs. Fennan's assailant was no novice in these matters."[38] With no pressure at all, plastic bag suffocation (a method also favored by the secret services, in which le Carré served) will also induce sudden cardiac arrest and leave no signs whatsoever.[39]

Knight points out that death by hanging is most often caused by reflex cardiac arrest from pressure on the carotid structures rather than the widely diagnosed cause of asphyxia (when oxygen supply is severely reduced due to abnormal breathing, as in cutting off breath by compressing the windpipe). The rub, for the forensic pathologist, is that though death by sudden vagal inhibition is common, it is "unusual to find anatomic confirmation of injury to these structures."[40] The secret police

artist-assassin looking to "commit a suicide" is therefore left with a window, not to say transom, of opportunity in covering up a death from sudden cardiac arrest induced by one of the less violent methods above with the evidence of hanging. The mark of the ligature, a major focus of pathology, can be easily reproduced by putting a rope around the body's neck and dragging it for a short distance across the floor (which makes the ligature mark on the neck move upward, considered evidence of hanging). It takes a combination of dedicated detective work and a determined and curious pathologist to figure out what Knight calls the "precise interplay of different mechanisms, which themselves appear only partially dependent on the completion of suspension and the location of the noose."[41]

The 90th Precinct has gentrified considerably in the past 14 years. At the time of Mark Lombardi's death, it had one of the highest homicide rates in the city, and its staff was chronically overworked. Since Officer Hendricks and his partner, Detective Vulich, say today, in the absence of blood, bruising to the throat, or other signs of struggle, they were not looking for a homicide, they did not check for displacement of dust on the sprinkler pipe or any other telltale signs that Lombardi's body had been moved. Neither the police nor the medical examiner established a time of death, which might have told them if Lombardi had died in another location. They did not interview any of his friends and neighbors, not even Orlofsky, who reportedly walked by the open door while they were there—and who must have heard Lombardi's radio oddly blaring for hours on end in his apartment upstairs.[42] Despite the fact that she did not show up to meet them at Lombardi's apartment after calling 911, they uncritically accepted Hilary Maslon's testimony and relied on it to determine that he had committed suicide out of depression. (One unofficial departmental profile deduced that the overwhelmingly ambitious artist showed all the classic earmarks of a suicide—"above-average intelligence combined with fear of success." Another, unexpectedly romantic for a homicide detective, said that broken hearts

account for most suicides.) Today Maslon, after several conversations with Lindsey Nobel, has reversed her conviction that Mark despaired after they broke up and killed himself: She now equally firmly believes that he was murdered.[43]

Don and Shirley Lombardi arrived at the 90th Precinct in Williamsburg at 7 AM on the morning of March 23, five hours after the police called them to tell them their son was dead. "There was a very brief discussion," Don Lombardi said. Then they were sent on a journey that took almost as long, to the morgue on Long Island where Don, after a considerable wait, was allowed to identify his son's face from a photograph—standard procedure now so as not to further upset families, according to the police. The fact that there were substantial differences between Maslon's account and that of Shirley Lombardi, who said her son was jubilant both about his success and the prospect of moving in with Maslon just two days before he died, did not convince them to keep the investigation open, although it is standard to do so when witnesses differ significantly. Shirley Lombardi attempted to question what she felt was a perfunctory investigation but said she was stonewalled. It took "forever," she said, meaning weeks, to recover Mark's remains. The family had to call a political contact in Albany to obtain a death certificate and get the body released. It arrived in a neat parcel of ashes. Shirley said the family had not given permission for Mark to be cremated. Ordinarily, the police will only cremate a body if it goes unclaimed for thirty days.

The medical examiner will not answer any questions without authorization from the family. Shirley Lombardi, the driver behind any questioning of the investigation, died, brokenhearted, in 2012. Shortly before she died, she asked Maslon why she went to the police. Maslon says that to this day she has no idea why Shirley continued to deny her side of the story. She has pressed the Lombardi family several times to reopen the case, something they say they have no interest in doing. "What's the point?" his sister Laura said. "It won't bring him back."[44]

Instead, they have focused their efforts on selling his estate, which consisted entirely of drawings, through Pierogi and Joe Amrhein, who finally became Mark's exclusive dealer.

PRICES FOR LOMBARDIS skyrocketed in the months after Mark's death, in part due to the mystery surrounding it. "People perpetuated the rumor that he was murdered—his dealer, Harithas, anyone who owned his work," Irv Tepper said. "It's a beautiful art story. Joe [Amrhein] set the whole thing up. He certainly made money by it."[45]

The notable exception was the fourth version of *BCCI* and its 10 preparatory sketches finally sold to the Whitney, according to Amrhein, for the preferential price of $20,000 in order to raise awareness of Mark Lombardi's work. As noted earlier, the third version of the drawing, the one damaged by the flood in Lombardi's studio, went on the market in 2014 for $450,000 at the gallery in which Sam Orlofsky works as a curator, Larry Gagosian.

Murder or suicide, many of Lombardi's less fortunate colleagues in the art world say dying helped his career a lot. Some even envy him for the notoriety it brought him; others, because he didn't have to live the life of an artist anymore. "Mark was lucky," said his close friend Ibsen Espada, who is facing eviction by the real-estate developers who have moved into the Houston fiefdom he and other artists gentrified for them. "He doesn't have to struggle anymore."

Some in the art community like to believe that Mark's death was a form of performance—as in performance art—evidenced by the pointillist spray of Tylenol PM on the floor of his studio, like one of his friend Fred Tomaselli's "celestial starmaps," and the much-contested bottle of champagne hanging next to him. "I like to think that Mark orchestrated the whole thing himself," Irv Tepper said. "What he couldn't do in life, he did in death. Thing you have to ask is if he would back off if the FBI really showed up—he'd be first guy out of town." "If you really want to draw attention to Mark's work, have him die in some mysterious

way," said his former dealer, Deven Golden. "But it's not like Mark's death made it [fame] happen for him. He was already there, already on the trajectory."[46]

To define his "art story" by his own death would have been Lombardi's ultimate signature, a flourish of "advance information" that would overwrite any art criticism, the penultimate well-baited trap of an exhibition. "You're never going to prove he was murdered," Golden said. "And you're never going to come up with a good reason for him killing himself." Oddly enough, there are those on the police forces that agree. "Artists do crazy things all the time," mused one. "Maybe it was a form of performance art." It's an oddly sophisticated piece of art criticism out of the mouths of men who otherwise spend their time chasing drug dealers, but also oddly compelling—if you know a fair amount about the history of Conceptual Art. It's a little too neat. It nags at the brain, along with the image of the artist's slight, boyish body, groomed for a date, twisting to the jangling of a radio in his brightly lit, otherwise empty studio.

It is comforting to think that Mark could have triumphed by his lonely and painful death, but at that stage in his career, only a major setback, like the abortion of a much-anticipated sale to a major museum, for example, or a threat to his means of commanding attention could have driven him to make such a desperate call. And if, as Lindsey Nobel said, he was already plotting his escape from New York, such a threat might even have provided a convenient excuse to lay low for a while.

"He wasn't worried about what to do next," Golden said. "He had his boxes, his index cards. Mark was good-looking. He didn't have any trouble getting girls. I've known people that make promises to themselves that, even though their lives are fucked up in deep ways, one day their ship will come in and things will get better. Then their ship comes in and what happens—it doesn't. He had no reason to kill himself. His girlfriend broke up with him—so what? Money—he was doing well. Nothing Mark ever showed me was a reason to kill himself. It was a

fucked-up thing to do and I'm still mad at him. He was so much fun to be with."[47]

THERE'S A NEW YORK saying to the effect that there are three basic drives in life—food, sex, and rewriting someone else's work. In that spirit, a group of friends and fellow artists gathered together in Williamsburg shortly after Mark's death to add their own graffiti to his "art story" in the form of a memorial tribute. The collective portrait they created out of e-mails and reminiscences—that of a moody if not bipolar depressive, tormented by family, relationship, financial, and substance abuse issues, finally driven beyond endurance by the flood in his studio and unable to enjoy his success—is hard to recognize next to the bold, impudent, totally original artist who hung the Emperor's New Clothes of Conceptualism on an ordinary accounting tool and made the world call it art. Some even entertain the theory that his death was an accident, a bit of erotic play that went wrong. Most are willing to admit that they didn't know the famously tightlipped Lombardi all that well, but even his family has for the most part accepted the groupthink as expert opinion. Only Shirley Lombardi, who died stubbornly unconvinced that her baby could commit suicide, remembered the laughing boy who once trailed an entire ball of string through an art exhibit just to see if he could get away with it.

The Texans, led by Jim Harithas, are still convinced Lombardi was murdered because that's the way things go down in Houston. In Harithas' lexicon, no one kills himself over a girl. Day Barlow and Lindsey Nobel, the two women in his life who may have known him best, agree. "He was getting everything he wanted," Day said. "Why would he kill himself? Mark hated pain. He would never hang himself. No way."

"He couldn't stand up to the heat," Tepper said. "At what point would he have started making safer shit? Artists have to answer that question all the time."[48] To Tepper, his friend will always be "the Chihuahua that barked and hid." Like everyone else in New York art circles, Tepper is unaware that Lombardi had already worked closely, for a number of

years, with a group of unorthodox investigators, including lawmakers and law enforcement, in Houston.

In fact, no one in the art world, with the possible exceptions of Jim Harithas and John and Dominique de Menil, knew what Mark was really up to when he was zipping around Houston making HotShot deliveries. None of them even know what an interlock is. The only person in a real position to know is former House Representative Sissy Farenthold, who engaged Mark to create them, and who lost a career, a marriage, and two sons while battling the way things go down in Houston only to resurface years after Mark's death as a force behind Dan Rather's ill-fated attempt to expose George W. Bush's military service record. Farenthold will only say, in the gnomic tones of a true insider, "I know that with every death of someone that has tried to look through the fog, there's a question."

10

MARK IN THE METADATA AFTERLIFE: THE AHA! EXPERIENCE

"People who are so fascinated by the computer's lifelike feats—it plays chess! It writes poetry!—that they would turn it into the voice of omniscience, betray how little understanding they have of either themselves, their mechanical-electrical agents, or the potentialities of life."

—LEWIS MUMFORD, *THE MYTH OF THE MACHINE*, 1970

"The laws of nature are written by the hand of God in the language of mathematics."

—GALILEO GALILEI, 1632

Rhizome—In botany and dendrology a rhizome (from Ancient Greek: rhizoma "mass of roots" . . .) is a subterranean plant stem, like that of ginger or rhubarb, that grows horizontally by sending out shoots and new root systems from the nodes which hold its buds: if a rhizome is separated into pieces, each piece may generate a new plant.

THE IMP IN MARK LOMBARDI WOULD BE DELIGHTED TO KNOW that, whatever the circumstances of his passing, in his next incarnation, the three-letter agencies of the United States would be studying the artist who had made a career out of studying them. This tragedy-into-farce reversal came about in the aftermath of 9/11: The CIA, the FBI, the NSA, the DoD (Department of Defense), and the ONR (Office of Naval Research) were required to take crash courses in social-network analysis in order to figure out linkages within and between terrorist groups. The "rhizomatic" drawings of Mark Lombardi were a prime focus of their attention. Today, 15 years

after his death, the artist's work has spun off a cottage data-visualization industry that encompasses IBM, MIT, the PayPal Mafia of Silicon Valley, and an ONR-funded computer program named, in his honor, the Lombardi Spirograph—an amusing as well as an amazing achievement for an artist who declared he had little use for the Internet. Greg Stone's bold assertion that Lombardi was the first artist to do metadata has considerable support from the computer science community. "Mark's work is very well-known among people who do social network analysis," said Roger Hurwitz, a senior fellow at the Canada Centre for Global Security Studies as well as a research scientist at MIT's Computer Science and Artificial Intelligence Laboratory (CSAIL). Hurwitz is also a founder of Explorations in Cyber International Relations, a program funded by the United States Defense Department's Minerva Research Initiative that mobilizes the resources of the nation's top universities to improve the DoD's access to cutting-edge social science research. "Everyone who does it has looked at him."[1]

A rhizome is not only a subterranean plant system. It is also a highly influential concept developed by French philosophers Gilles Deleuze and Félix Guattari as an "image of thought" in theory and research that resists conventional "root-tree" or hierarchical up-and-down organizational structure that charts causality along chronological lines between an origin and a conclusion. In philosophy and semiology, a rhizome is characterized by what mathematicians would recognize as a "recursive" structure, one that feeds back into itself in "ceaselessly established connections between semiotic chains, organizations of power, and circumstances relative to the arts, sciences and social struggles." A rhizomatic thought structure presents history and culture as a map or wide array of attractions or influences with no specific genesis, for a "rhizome has no beginning or end; it is always in the middle, between things, interbeing, intermezzo," a concept which applies particularly to the "everything is connected"-ness of information science. Deleuze and Guattari's 1980 "post-modern theory of the social and political," *A*

Thousand Plateaus, is in fact linked by scholars to the design of hypertext and indeed to the deep structure of the Internet itself. In the study of linguistics, which has been heavily influenced by Deleuze and Guattari and which in turn figures importantly in the foundations of the Internet, "deep structure" commonly refers to a grammar of meaning hidden beneath the surface of words. As Noam Chomsky might put it, "linguists isolate from an essentially heterogeneous linguistic reality a standard and homogenous system, thus grounding abstraction," the universal foundation of science as well as language and abstract art.[2]

If one may take Conceptual Art to be an offshoot of abstractionism, Lombardi's peculiar genius as an abstract artist was to incorporate these far-ranging philosophical elements into his work. Lombardi himself freely acknowledged his debt to the Marxist aesthetics of Martin Heidegger's disciple, the German philosopher Herbert Marcuse, who drew on both linguistics and phenomenology. Mark used a rhizomatic concept in his drawings to generate an over-arching image of capitalism, albeit its shadow-counterpart. As a Conceptual artist, he sought to refine it to "the machine that makes the art," thereby overlapping the great debate going on today in linguistics and, by extension, information science (which uses linguistic models), between "hierarchal" or "arborescent" imagery of information otherwise known as "command trees," and the apprehension of "multiplicities" that do not relay information in a centralized way. But, as we shall see, he also structured an up-and-down, beginning-to-end narrative into his work, consciously or unconsciously answering one of the greatest challenges of the most advanced artificial intelligence: how to integrate the rhizomatic with the arborescent. David Eppstein, inventor of the Office of Naval Research–funded Lombardi Spirograph, a graph-design program named in Lombardi's honor that draws symmetrical curving links like those in Lombardi's work, believes that while the artist was thinking in terms of communicating aesthetically rather than efficiently communicating information, he stumbled on something that made perfect sense in an

entirely different field.[3]

On a more immediate pragmatic level, an understanding of rhizomatic structure quickly became imperative to the government forces combating al-Qaeda. Like the "one continual drawing" in Mark Lombardi's head (which includes al-Qaeda's funding roots), the militant network—which was held responsible for the attacks on the World Trade Center and the Pentagon in 2001 by the US government—had been built over a period of many years, expanding one node at a time. It had a major strategic advantage due to the fact that, in network parlance, it never grew into a conventional hub-and-spoke structure with a central leader exerting control over all details, thereby foiling any enemy opportunity to take down the network by eliminating the leader. Nor was it a tree structure, a hierarchical chain of command like any conventional military or corporate organization. It was, in an eerie fugue on Richard Stout's critique of Mark Lombardi's oeuvre as a representation of nature, a "web without a spider," in which a hierarchy of hubs or "nodes" kept the network together. If one node were to be cut off, another would grow and expand outward in its place.[4]

Post-9/11, Valdis Krebs, a management consultant who has extensively used interlocks to analyze corporate communications as well as real-estate corruption, applied his skills to assembling a map of communication based on disclosed contacts between the 19 hijackers aboard the four planes and the 15 people whom authorities claimed to have been connected to them. Using a common office project management software program called inFlow, Krebs weighted the "edges" or links based on the known closeness of the relationship. Mohammed Atta, the purported mastermind of the 9/11 attacks, is the most connected node, but he had direct contact with only 16 out of 23 nodes.[5] Even though the information was not complete, it was sufficient to allow Krebs to use a probabilistic structure to predict that, despite his centrality, taking out Atta would not have crippled the cell: Precisely because of its scattered nature, it could sustain itself.

Mark Lombardi's work offered a bridge to extrapolate beyond the small world of Krebs' communications map to the big picture of global terrorism. In fact, Lombardi's drawings of the Texas savings-and-loan scandals of the 1980s and their links to terrorist funding connect interestingly to Krebs' original topic of research, real-estate corruption. It is a matter of speculation just how the artist was introduced to the social-network analysis community, but it is probably safe to conjecture that the FBI's visit to the Whitney had something to do with it, and perhaps even the Minerva Research Initiative itself. Unlike the art world, social-network analysts recognized Mark Lombardi's work immediately for what it was—a series of interlocks which graphed connections not only to Adnan Khashoggi, the Texas S&L scandals, Iran/Contra, and BCCI, but also to al-Qaeda, the Colombian drug cartels, and many more of the "irregular armies" of self-organized terror networks that network expert Albert-László Barabási calls the most dangerous aggressors of the 21st century. If—as evident in the third, water-damaged version of *BCCI-ICIC-FAB*—Mark's drawings connected to form one continual drawing, they offered a tantalizing research topic to the increasingly well-funded intersection of social network analysis and data visualization, in fact a comprehensive visualization of a "universal power law" governing real terrorist networks. (Power laws mathematically formulate the observation that in most real networks the vast majority of nodes are tiny and only peripherally connected but coexist with a few big hubs with a disproportionately high number of links.)

Lombardi's continual visual history also promised social-network analysts who were stepping gingerly into this brave new world a probabilistic advantage in building their models, a half-century history of visible interactions—or, in math terms, dynamic information transfers—between nodes which represent for the most part funding entities or individual facilitators. It was in fact a map of an entire funding network, built from a series of maps which progressed genealogically from Al Capone's and Meyer Lansky's criminal networks and the drug cartels that

were Lombardi's original subject of interest to some of the earlier funding trails for al-Qaeda. "Lombardi's network was frozen in the past," Eppstein said. "You could visualize the who-to-whom [contact] and then visualize what happened next"—an invaluable tool for those seeking to forecast how and where the network would expand. The next step would be to attempt to automate it.

Although it is difficult to tease out many exact details on how Mark Lombardi's work is being applied for either military or commercial reasons of secrecy, one of the many ways in which Lombardi's work lends itself to information analysis may be to build probabilistic structures based on "fuzzy set" theory, where knowing the history of each information node increases the degree of confidence with which you can forecast. Fuzzy set theory was invented by a versatile Turkish-Iranian-Russian émigré named Lotfi Zadeh who became chairman of the electrical engineering department at the University of California at Berkeley as a modeling construct for use in a wide range of domains in which information is incomplete or imprecise. In classical set theory, the membership of elements in a set is assessed as true or false: An element either belongs or does not belong to a set. By contrast, fuzzy set theory permits the gradual assessment of the membership of elements in a set by valuing a membership function which can be mapped. Fuzzy set theory became popular in modeling "real-world problems" such as those found in linguistics, bioinformatics, and decision-making. Today, it is increasingly important in artificial intelligence, computer science, management science, pattern recognition, and information processing, particularly in the field of data-mining, in which it is used to search for structure in data to reduce complexity and to provide input for control and for decision-making.[6]

Mark Lombardi's rhizomatic maps of covert funding networks and their offshoots appear to lend themselves superbly to mapping membership functions as well as to other aspects of the artificial intelligence world. However, there is lively and continuing debate over

whether they work as analytic tools, which at times takes on almost theological tones. Among other things, scientists disagree over whether Lombardi's work is "static," i.e., descriptive, or "dynamic" (problem-solving); over the exact meaning of the "edges"—the curved links—in his drawings and whether they are a reliable measure of contact between nodes; whether in fact the visual attraction of his curved edges (in terms of aiding the human eye and brain to process information) outweighs the necessity for mathematical exactitude; and what his visual choices are adding to the information, particularly given the artist's lack of access to classified documentation.

Lombardi's former dealer Deven Golden observes skeptically that scientific opinion on the drawings' effectiveness diverges based on whether the scientist leans to the left or to the right politically. Although oversimplified, Golden has a point, made in considerably greater detail by journalist Joseph Trento in his 2005 book on the antecedents of 9/11, *Prelude to Terror*. Trento traces the development of the "private intelligence network originally inspired by Paul Helliwell, created by Edwin Wilson, and ultimately taken over by Ted Shackley and his associates" that "became the model for future major covert operations by the United States." *Prelude to Terror*, published five years after Lombardi's death, follows much the same trail as the artist, pointing out what must be a major source of embarrassment for the intelligence entities that are funding much of the Lombardi-related research.[7] The promiscuity of funding streams that flowed through the offshore banking entities servicing this network, particularly BCCI, makes visible that the CIA had in fact co-invested with Saudi Arabia and Iran in funding a pan-Islamic nuclear bomb developed by Pakistan—the very nuclear threat for which the United States is punishing Iran today. Despite heavy sanctions, much of the tens of millions of dollars US officials believe Iran paid to keep the Pakistani program (created by physicist A. Q. Khan) going in the 1990s flowed to secret accounts in Pakistan through BCCI. BCCI was the same bank the United States and the Saudis used to fund the Afghan

mujaheddin, the Nicaraguan Contras, and other covert operations.

In 1994, a senior Saudi diplomat, Mohammed al-Khilewi, defected to the United States, bringing with him document proof of Riyadh's financing of Pakistan's bomb program since the 1970s, a Monroe Doctrine–type pact requiring Pakistan to defend Saudi Arabia with its nuclear arsenal, as well as Saudi support of Iraq's nuclear weapons program up to the eve of the first Gulf War. When Khilewi also revealed his government's decades-long campaign to acquire its own nuclear arsenal, Trento quotes an unnamed Clinton administration official who said, "Can you imagine what would happen if we discovered Saudi Arabia had a bomb? We'd have to do something and nobody wants to do that. Best not to ask tough questions in the first place."[8]

Above and beyond the obvious embarrassments contained in the Bush boxes, the specificity of Lombardi's drawings—the sheer number of names and contacts they contain, the level of corruption they suggest and their possible relevance to the 28 redacted pages of the Congressional enquiry into 9/11—raises very tough questions for any administration to answer, or at least to publicize. The funding stream for Islamic State and its variations may contain similar, unwelcome surprises. As Sissy Farenthold might put it, insiders do not blow the whistle on insiders.

Nonetheless, the intelligence community has floated a number of attempts to automate Lombardi's work, i.e., to put it on a platform where it can be manipulated. The reason probably has more to do with what the community can learn from his work than with what it can't, specifically those sectors that work with artificial intelligence. Lombardi made his name as the first artist to do metadata. How the artist visualized information has become a matter of intense interest over the years since his death, just as "data visualization" and/or "pattern recognition" have become the hot new frontiers of the artificial intelligence business. The intelligence agencies of the United States are very good at collecting data, as Hurwitz, who works with two of them, observes, but not so good at analyzing it. Ironically, the NSA is particularly challenged by the

volume of personal information it has accumulated by its invasions into millions of private lives. Its attempts at graph analysis have tended toward what some computer scientists call "spaghetti," i.e., the links conveying information are so dense that they run into each other and become unreadable. "I got a lot of data, I want to put it on a platform where I can manipulate it," says MIT's Roger Hurwitz. "I need to represent it. I want ways to make patterns. I can possibly make predictions by, say, one of the edges. I want to take traffic-analysis data, like the metadata which doesn't always come out sorted. I want to sort the matrix [the rectangular array of numbers, symbols, or expressions central to structuring an algorithm]. We also want to answer questions like who are the central nodes and how are they connected? How far out does the network go? We got a lot of data, not just because of terrorism. If I can get a picture out of it, it's much more comprehensible than just reading the matrix."[9]

Lombardi is both tantalizing and frustrating to those sectors related to cyber-security and signals intelligence (intelligence derived from communications, electronic, and foreign instrumentation signals, commonly abbreviated as SIGINT). SIGINT works on maps drawn from lines from a receiver to a signal of interest, very much in the manner of a Lombardi drawing. When compass bearings from multiple points are plotted on a map, the traffic analyst can locate the transmitter at the point, or "node," where the bearings intersect: His or her analysis is based on pattern recognition. Lombardi is also an object of fascination to the collectors of COMINT (communications among people), such as the NSA, which rely on graph analysis to determine, among other things, when a network is going into a state of "disorder" or "arousal" (a dynamic change in pattern) that might signal a crisis or attack.

"Mark's work is important because it tantalizingly suggests ways of data visualization," said Roger Hurwitz, who is something of an anomaly, a computer scientist with a background in art criticism. He both collects Lombardi's work and directs a sketch-recognition lab at MIT's Computer

Science and Artificial Intelligence Laboratory. “It’s important in the study of graph analysis . . . [where] you want this as a tool to understand dependencies, vulnerabilities. Mark made ‘medium sets of data’ [refers to the amount of data set pulled into memory so the server can respond to client applications; a medium data set fits into physical memory where extra physical memory can be dedicated to the entry cache] visually interesting, even beautiful. He invited you into a world you hadn’t seen and made you examine it. It’s really kind of amazing because it’s not figurative art but . . . it represents the social network in links that are nonetheless real—some social or economic exchange which is not physical but is carried out through some physical instrument.”[10] That last point is an essential one in information analysis in which Ben Shneiderman, the guru of computer-human interface design, remarks, “The larger and more difficult problems lie in studying the social processes.”[11]

David Eppstein—who edits the Mark Lombardi Wikipedia entry—says he is not so interested in understanding the network Lombardi was visualizing as he is in trying to “import” some of his aesthetic qualities to computer-generated drawings in order to make them more easily understandable. “Computers draw networks badly,” Eppstein said. “I would like to be able to figure out what he did so I can figure out how to make my computer do it better.”[12] To Eppstein, a chancellor’s professor in the computer science program at the Donald Bren School of Information at the University of California, Irvine, who has been working in the field of data visualization since Lombardi’s death 15 years ago, the curved edges the artist drew from node to node are a superior tool in information analysis. “Some people look at the curve to convey actual information about the arc,” he said. “The more general properties are the ones I like to work with. It’s not the meaning that’s important when you lay it out, but how it works similarly across most networks.”

To Eppstein, Lombardi was also “highly effective” at turning text into a visual form that made it much more accessible—another big challenge

in the artificial intelligence world in which computers still struggle with how to render narrative, or "story sense," visually. Eppstein, who says he was introduced to Lombardi's work in 2009 at a graph-design conference by an IBM analyst who spoke about the artist as someone who was visualizing the social network with high aesthetic value, believes that what is important about Mark's "edges" is how he drafted his arcs to spread out the nodes and their edges evenly and thus make them readable. The curved lines are more "emotionally comfortable" to most people rather than the straight-line segments or polygonal chains that were standard features of graph design before Lombardi became an object of study. Although the artist didn't always space his edges precisely in mathematical terms, he did so with a strong rhythm. As Hobbs notes from the perspective of another discipline entirely, "He wanted not only to record information but to dramatize it in terms of varying energies, almost like a piece of music, so that different actions would seem to move at varying speeds and rhythms: long arching lines would glide; short ones would dictate a more staccato rhythm; nodes with several radiating arcs would vibrate; and dense areas would appear frenetic." No one, Eppstein said, had done that before in social-network analysis, but it worked perfectly to focus the attention of the viewer.

In designing the Lombardi Spirograph, Eppstein was inspired to redefine "Lombardi drawings" in a technical sense as drawings in which all edges are arcs of circles and the angles of the edges are equally spaced around each vertex.[13]

Lombardi owed the near-perfect geometry of the drawings themselves to his use of the French arc. Eppstein defines his choice of drafting instrument as a "happy accident." "It probably worked once, so he did it again and then he just kept on doing it." Nothing in the artist's work suggests to Eppstein that he had any grounding in higher mathematics, but the *Aha!* experience—the intuitive process by which artists can apprehend a multiplicity of stimuli and synthesize them into a single, communicable image—is a difficult one to parse.

It is, of course, tempting to look at the French arc as, literally, a da Vinci codex to all the mysteries of Mark Lombardi. As we have seen, the French arc is commonly used to construct Fibonacci spirals, a logarithmic geometric form with many applications in quantitative analysis and parallel computing, in which a variation is used to interconnect parallel and distributed systems. The Fibonacci, or "golden," spiral, an asymmetric arc apparent in Lombardi's drawings, gets wider, or further from its origin, by a factor based on the number sequence (1, 1, 2, 3, 5, 8, 13, 21, 34 . . .) introduced to Western mathematics by Da Vinci's contemporary, the mathematician Fibonacci of Pisa. The Fibonacci number sequence, in which each new number is the sum of the previous two, has quasi-mystical roots in pre-Christian Indian mathematics and Sanskrit prosody (interestingly, a form of linguistics). It underlies the concept of the golden ratio, a number which has fascinated mathematicians, scientists, and artists alike for centuries: It supposedly inspired the proportions for da Vinci's *Vitruvian Man*. It has penetrated deep into popular culture as well: There are TED talks on Fibonacci numbers, and in the film version of *The Da Vinci Code*, a Fibonacci sequence is used to crack a safe. Logarithmic spirals occur in nature in spiral galaxies and nautilus shells, artichokes, pineapples, ferns, and pinecones. They allow an organism to grow without changing shape and may have inspired the "natural" forms in Lombardi's art. But Fibonacci sequences are also commonly used to predict stock market pullbacks in recursive patterns known as Fibonacci retracements or Elliott waves, which may have also influenced the shape of Lombardi's work. (Elliott waves have been around since the 1930s.) Eppstein is perhaps right when he says that the artist "stumbled" on something of vital importance in another field, but with Lombardi it is always fair to say one never knows: Deep in his files, the author found a copy of *The Vitruvian Man*.

To Roger Hurwitz, who looks specifically to track patterns of communication, the curving links Lombardi drew with his French arc don't really work as traffic-analysis tools, primarily because they are

"undifferentiated." He is skeptical of the legend Robert Hobbs quotes in *Global Networks*, from the artist's unpublished notes and from his "self-interview" video, in which the "nodes" are circles labeled with the name of a company or individual; the "edges" executed either as solid lines indicating some influence or control between businesses and individuals; two-way arrows indicating mutual relationships or associations; dotted lines showing the flow of money, loans, or credits; a squiggle the transfer of an asset; and so on. "What is it referencing? What is the nature of the connection? Who are the cutouts?" said Hurwitz, who also has a background in international relations. "Then you look at the index cards. You're left not quite knowing what the connection is." They are also of limited utility to Hurwitz because the information they convey can't be verified from classified documents. Mark's research strategy, which relied for the most part on books and reputable news sources, was "OK" for a journalist or historian, but not for academic or intelligence work. Moreover, Hurwitz said, they fail to measure data like the frequency of contact, the time dimension of the contact, or how the frequency of contacts may have changed over time, questions common to network-traffic analysis. However, Hurwitz points to a recent research project on interconnectedness between hedge funds at the University of Massachusetts based on documents acquired through the Freedom of Information Act and the Securities and Exchange Commission. The project shares the characteristic of secrecy with the covert operations Lombardi traced in his work: When all the verifiable data was visualized, it came out in a mass of spaghetti. "It didn't look like art," Hurwitz said. "It looked like a mess."

As Robert Hobbs notes in *Global Networks*, Lombardi kept these links deliberately ambiguous. As we have seen, he did not always base his drawings on information in the public record. He altered his own definition of functionality by beginning his oeuvre as information, but finishing it as art. Hobbs says he believes the artist designed the drawings to be non-replicable because the artist wanted them to be read "up close

—intimately," but it is equally possible that—despite the diktat of Conceptualism—he did not want them reconstructed by anyone following a set of instructions for purely commercial reasons. In fact, although Lombardi and his dealers perpetuated the myth that he did not use a computer, he did and quite skillfully. As an extraordinarily gifted researcher—one might almost say a library scientist—he certainly knew enough to cover his trail.

Computer scientists tend to think that biographical detail is clutter, but here Mark's personality, more complex in its motivations than any computer at this stage can possibly simulate, can be sensed like a mischievous poltergeist—or like his favorite painter, Diego Velázquez, who included his own image in his masterwork *Las Meninas*, reflected in a convex mirror in a corner of the composition. The messy "centered, intentional 'I'" that had been for aeons the source and guarantee of artistic meaning[14] could not be subdued by a Conceptual "program," much less a computer program, but it is still there, teasing from a corner of the lab with the mystery of his "intentionality." As Conceptual Art guru Mel Bochner pointed out in 1970, it is important not to confuse "concept" with "intention." Mark Lombardi, the consummate Conceptual artist, was not only still leading the computing community astray with the tantalizing and frustrating question of what his great concept was really for, but also making it nostalgic for that messy and intentional "I" in the process.

One of the big questions that has bedeviled the artificial intelligence world for over 40 years is that of "common sense reasoning," or understanding what an object is for. Ben Shneiderman, who wrote one of the standard textbooks on designing interactive computer systems, said that the first step is to ascertain the "necessary functionality"—what tasks and subtasks must be carried out.[15] As MIT labor economist David Autor pointed out in a speech on the likelihood of robotics stealing all our jobs at the 2014 Jackson Hole forum in Wyoming:

> Programmers can't translate the way we think entirely into code. Scientists at the forefront of artificial intelligence have found workarounds like machine-learning algorithms. A computer might not have any abstract concept of a chair, but show it enough Ikea catalogs and it can eventually suss out physical properties associated with a seat. . . . Drawing this inference, however, requires reasoning about what an object is "for," not simply what it looks like. Contemporary object recognition programs do not, for the most part, take this reasoning-based approach to identifying objects, likely because the task of developing and generalizing the approach to a large set of objects would be extremely challenging.

"The computer needs to know its purpose," Roger Hurwitz said. "You might not expect a computer to use a knife as a screwdriver, but humans do it all the time."[16] Social networks have been used as people-tracking tools to learn who's talking to whom, who deals with whom, etc. They have been used to track interlocking boards of directors and hedge funds —but probably not all three at once. Nor have they been used to track anything resembling the conflicted nature of human motivation—how, for example, Mark Lombardi used his work both to reveal and to conceal, to investigate and to obscure, to court fame and to hide from the consequences that fame might bring. Very few, if any, in the computer science community know that he switched his creative purpose midstream, from drawing interlocks for the purpose of legalistic investigation to drawing them as art. The question of functionality is further complicated by evidence that, certainly toward the last stages of his career, he also employed subterfuge, possibly to avoid retaliation once his work won prominent attention: For example, in *George W. Bush, Harken Energy and Jackson Stephens*, completed toward the end of 1999, the artist surprisingly omitted any direct representation of Khalid bin Mahfouz, certainly one of the central nodes, if not *the* central node, in

that drawing.

Lombardi's roots in Dada and his worship of Duchamp further complicate the scientist's task.[17] Like Duchamp, Lombardi reimagined ready-made, ordinary, and frequently mass-produced objects as art objects. Like Duchamp's early work, Lombardi's were barely seen by anyone. They were the "ultimate insider's cool dude art joke," presented deadpan and deliberately by a cunning art player who very carefully weighed every move he made.[18] Like Duchamp, Lombardi was a seductive mixture of trickster, prophet, virtuoso, and salesman, a "high-end purveyor of the literal and the obvious." But, in hiding an accounting tool in plain sight, Lombardi also laid claim to a nobler aspiration of Dada, the wish to destroy the "hoaxes of reason" and to discover an unreasoned order, a deep structure that unified the surface structures of society with their criminal and/or covert underpinnings and thus destroy their authoritarian meaning. "Some people have criticized him for choosing to represent the ugly side of politics in beautiful forms," said Robert Hobbs. But in choosing to depict this perversion of the natural social order in forms that mimicked forms of nature, Lombardi stayed doubly true not only to Herbert Marcuse but also to his Dada ideals.

"Dada, whatever its deficiencies—and the fact is that it produced relatively little enduring art—was part of a tradition of doubt about the possibilities of art that is woven deeply into the history of art. You can trace this tradition back to the accounts of Pliny and other historians of the struggles of ancient painters to disentangle the relationship between the natural world and the pictorial world."[19]

JIM HARITHAS CALLED his former student "the first great artist of the 21st century." Mark Lombardi's art epitomizes 21st-century Dada. Following Marcuse's philosophical precepts, Lombardi deployed formalism as a trenchant mode of political critique, skillfully manipulating the dichotomy between the lyrical designs he borrowed from and the geography of international corruption that they map. By reinventing an

ordinary accounting tool, he represents a force of "nature" which is not natural but manmade—the "nature" of capitalism—with the ebb and flow of the unseen forces behind it. The "links" he draws connect the seen with the unseen, government leaders with criminal leaders, banks with arms and drugs dealers, venerated university endowments with covert ops finance and so on. He likens these highly complex transaction charts, somewhat with tongue in cheek, to prehistoric cave drawings, "diagrams and pictographs drawn in the sand."[20] But the natural forms he borrows—the spider's web, the intricate tracery of a snowflake, the spiraling interior of a conch—are themselves grounded in a precise geometry which provides a natural platform for the mathematics of the Internet.

Ironically, Lombardi's choice of the French arc may have been pragmatically dictated by his lack of technical drawing skills, just as his choosing to switch from "hierarchical," chronologically ordered linear constructs to circular ones may have been dictated by the title of his 1999 gallery show, *Vicious Circles*, in which most of them appeared (the title *Vicious Circles* was taken directly from Jonathan Kwitny's 1979 book about labor racketeering, which Mark kept in his library). However, the broad parallels between the development of his work and that of another manmade force of nature, the Internet itself, will undoubtedly keep him in the curriculum for many more years to come.

THE SUBJECT OF Mark Lombardi is particularly hot in the computer science world these days in the context of its funding sources. There is a huge market for data visualization not only in the intelligence agencies but also in commercial giants, like Amazon, who likewise don't know what to do with the enormous amounts of information they have stored. Lombardi's work provides a convenient forum for unlocking that value by debating the differences, if any, between data visualization and art.

"Visualization is a method of computing. It transforms the symbolic into the geometric, enabling researchers to observe their simulations and computations. Visualization offers a method for seeing the unseen. It

enriches the process of scientific discovery and fosters profound and unexpected insights. In many fields, it is already revolutionizing the way scientists do science."[21]

"We are visual thinkers," Hurwitz said. "Our eyes have been trained to do that through evolution. Today we are almost totally visual to the expense of text, which I somewhat regret because I was brought up on it. We compute with the eye. But how do we do it? That's where the science begins."

"He's right on the cusp," said David Eppstein of Mark Lombardi's work. "It's art, but art that does visualize information." A subject like Lombardi is doubly valuable because he is also on the cusp of Heidegger's "pre-technological age" when humans' relationship with the world was poetic and aesthetic rather than technological, an argument of some importance in the artificial intelligence world in which "It is the assumed, and forgotten, horizon of everyday practice that makes technological devices and solutions show up as meaningful."[22] As Eppstein says, he would like to teach his computer to do better what humans do so easily.[23]

Lombardi did in fact consult the work of Edward R. Tufte, an American statistician and professor emeritus of political science, statistics, and computer science at Yale University, for a comprehensive understanding of how graphic designers envision data. (As a clue to what might have become of Lombardi had he lived, Barack Obama appointed Tufte to the advisory panel for the 2009 American Recovery and Reinvestment Act, otherwise known as "the Great Stimulus," to "provide transparency in the use of Recovery-related funds."[24]

In his 1979 book, *Designing Information*, Tufte pointed out a "critical and effective principle" of information design that plucked the chord of the artist's passion for the forgotten art of 18th-century panoramic history painting:

Panorama, vista, and prospect deliver to viewers the freedom of

> choice that derives from an overview, a capacity to compare and sort through detail. And that micro-information, like smaller texture in landscape perception, provides a credible refuge where the pace of visualization is condensed, slowed, and personalized. These visual experiences are universal, rooted in human information-processing capacities and in the abundance and intricacy of everyday perceptions. Thus the power of micro-macro designs holds for every type of data display as well as for topographic views and landscape panoramas. Such designs can report immense detail, organizing complexity through multiple and (often) hierarchical layers of contextual reading.[25]

In order to focus the "concentrated and extended scrutiny" needed for the viewer to process large amounts of statistical information and other forms of data, Tufte pointed out—in 1979—that graphic designers had already developed charts that could be read not only horizontally and vertically but from both directions, thus integrating "rhizomatic" with "arborescent" thought images in the way that excites artificial intelligence researchers so much today. Mark Lombardi incorporated this design concept into his art and added an innovation that made it uniquely his.

Not only could each of his drawings be "read" both horizontally and vertically, but, as we shall see, they can also be read consecutively, in what would ideally be a 360-degree panorama. The possibility prompted Roger Hurwitz to ask whether the artist had ever been exposed to "virtual reality caves," an end-of-1990s technology which surrounded the viewer with 360-degree holographic presentations of data. It is far more likely that Mark was hiding his 1973 dissertation on 18th-century panoramas in plain sight but, in the nature of his work, with one foot already in the future.

Like hard-core pornography, postmodern art can be hard to define, as in Supreme Court Justice Potter Stewart's famous 1964 obscenity ruling:

"I know it when I see it." "Art is when people say they're making art," David Eppstein said, but, at least to a certain generation, art involves a high degree of aesthetic and/or emotive content. Graphic design can involve a high degree of aesthetic content, but what distinguishes Mark Lombardi's art is a particular emotional recognition emanating not from the viscera but from the brain. The sudden epiphany to which the artist leads his viewer to understand a previously incomprehensible problem is known as the *Eureka!* or *Aha!* experience. That process of synthesis, by which an artistically gifted person can take in complicated information and represent it without analysis, is still a conundrum in parallel computing, but Lombardi may have been doing nothing more complicated in his recursive drawings than literally representing distortions in the global economy—and luring the viewer into making the discovery on his or her own.

Roger Hurwitz, who has AH!HA! painted on his garden doors, said, "You've got to give Mark credit for seeing wholes, for seeing totalities. Data visualization is a ground-up process, starting with the matrix. You can give top-down rules in data visualization, but the interweaving of bottom-up and top-down rules—getting that right is the challenge of AI."[26]

At the dawn of the computer age, Lewis Mumford posed a pertinent question: Is it worth it to try to reinvent human intelligence in an artificial form? Hurwitz's colleague at MIT, Patrick Winston, works on smart understanding programs that employ very elaborate machinery to understand human movement, emotion, and story understanding, including subtext. "It's hugely labor-intensive to develop programs like that," Hurwitz observes.

It is certainly hugely labor-intensive to reinvent Mark Lombardi. Mark Gorton, a Stanford-trained electrical engineer who heads a $4 billion financial-services company in New York that has developed proprietary trading algorithms that identify non-random patterns in market behavior, has put some thought into the problem of automating

Lombardi's work. Aside from the fact that he doesn't know how, he says that, at the end of the day, he would still need a human "lore master" who knows all the material as well as Mark Lombardi in order to interpret it.[27]

Hurwitz, who was reluctant to discuss this except in general terms because he is working on the issue in his sketch-recognition lab, said there is no shortage of ways in which to replicate Lombardi's work. Just as in homebuilding, in which you can show a contractor a blueprint and he can build the house, he says, you can show a computer one of the artist's preparatory sketches and it will create the finished drawing—if you had the database, i.e., a complete set of file cards that has the information missing from the preparatory sketch—and you could probably ask it to not only clean up the drawing, but also to add special features, such as the central node.

However, Lombardi's missing file cards create a huge problem for a computer trying to re-create his work. So does the fact that the body of his work has been broken up, much of it disappearing into private collections. "It was a crime to break that up," his friend Lindsey Nobel said. "It was an entire library system. He built a library system in his head."

To Hurwitz, it isn't necessary to be able to access all of Lombardi's drawings in order to apprehend the system. To Robert Tolksdorf, a professor of computer science and information technology entrepreneur who heads a lab on networked information systems at Freie Universität Berlin, it is. Interestingly, Peter Eigen, the head of Transparency International who visited Lombardi shortly before his death, also teaches at the Freie Universität, although Tolksdorf says he doesn't know him. Tolksdorf bought the version of *Gerry Bull, Space Research Corporation and Armscor of Pretoria, South Africa ca. 1972–1980* previously owned by Hurwitz when his MIT counterpart sold it through a German gallery, and he also owns four other Lombardi drawings. The "hugely expensive project" he has launched to automate Lombardi's work is predicated, he says, not only on the need to make the "political information" in the

drawings publicly available but on the need to use them to know the Internet better.

Tolksdorf's approach is to automate the drawings as hypertext, the earliest (and simplest) incarnation of the World Wide Web itself: a network of nodes—documents, articles, files, cards, pages, frames, screens containing information (in text, video, sound, etc.) and connected by hyperlinks (cross-references, citations, etc.)—that a user can activate by simply typing in a name. The system then executes a full-string search and pulls up all the names associated with that name and/or the documents associated with them. The problem is that, like an unsorted matrix, it pulls up a dizzying array for the hapless researcher. "OK, so you make a dynamic matrix of all Mark's stuff so you can touch a name and all the connections come up," said Deven Golden, Mark's computer-savvy former dealer. "You take all the nodes and all the connections between and transcribe it. What's the point? You're reversing the process."[28]

Tolksdorf is specifically interested in finding out who is at the center of the network, which automating it should discover "immediately." He has had little or no cooperation, he says, from Lombardi's dealers or the institutions that have amassed his work. He faces a Herculean task. The drawings do not reproduce well, and the images of them in the two extant Lombardi catalogues are for the most part unreadable. In order to cull the names, he needs to make his project viable; he needs a list of all the works and where they are, information Lombardi's dealers regard as confidential. Then he needs to physically photograph all of them, in images detailed enough to reproduce online, a process he estimates will take at least two years.

In Lombardi's work, Tolksdorf is pursuing a vision of the World Wide Web akin to the "memex" of Vannevar Bush (no discernible relation to GHWB, GWB, et al.), the El Dorado of the IT world. At the end of World War II, Bush, who was Franklin Delano Roosevelt's science advisor, conceived of a desktop information tool he called "memex,"

based on microfilm and eye-tracking technology, that would enable readers to follow cross-references by merely staring at them. In its emphasis on focus, it bears a family resemblance to data visualization.

> Wholly new forms of encyclopedias will appear, ready-made with a mesh of associative trails running through them, ready to be dropped into the memex and there amplified. The lawyer has at his touch the associated opinions and decisions of his whole experience, and of the experiences of friends and authorities. . . . There is a new profession of trail-blazers, those who find delight in establishing useful trails through the enormous mass of the common record. The inheritance from the master becomes, not only his addition to the world's record, but for his disciples the entire scaffolding by which they were erected.[29]

As Shneiderman said in 1992, it took "nearly fifty years" to create effective models of Vannevar Bush's vision, the prototype for PROMIS and John Poindexter's Total Information Awareness program.[30] It is perhaps a bizarre coincidence that the vision for Memex and the financial shadow-world Lombardi tracked came into being at about the same time. Memex's most recent incarnation is perhaps best represented by a CIA-funded technology known as Palantir, which Roger Hurwitz says is Mark Lombardi's "legacy," and what David Eppstein might describe as what he stumbled into that made perfect sense in another field.[31]

Palo Alto–based Palantir, whose name is derived from the "Stone of Seeing" in J. R. R. Tolkien's *The Lord of the Rings*, was founded in 2004 by PayPal CEO Peter Thiel and several Stanford protégés with $2 million in venture capital from the CIA's venture capital arm In-Q-Tel to provide data-mining services to government intelligence agencies which the libertarian Thiel insisted would be maximally unobtrusive and traceable.[32] In-Q-Tel itself was founded in 1999 (the same year as the

Minerva Research Initiative) under the name Peleus to address what the agency perceived as its lack of cutting-edge information technology. In a press release at the time, George Tenet, then the CIA director, said, "We [the CIA] decided to use our limited dollars to leverage technology developed elsewhere. . . . While we pay the bill, In-Q-Tel is independent of CIA. CIA addresses pressing problems, and In-Q-Tel provides technology to address them. The In-Q-Tel alliance has put the Agency back at the leading edge of technology." The collaboration enabled the CIA to apply technology Las Vegas used to identify card sharks to link analysis for terrorists in conjunction with a parallel data-mining effort by the United States Special Operations Command–Defense Intelligence Agency operation known as Able Danger.

Able Danger was launched by a directive from the Joint Chiefs of Staff in early October 1999, the month Mark Lombardi was scheduled to speak at Transparency International in South Africa, to develop information campaigns against transnational terrorism. Able Danger had identified two of three Brooklyn-based al-Qaeda cells active in the 9/11 attacks linked to Sheik Omar Abdel-Rahman, including their leader Mohammed Atta. In 2006, the Senate Intelligence Committee refuted the findings and concluded Able Danger did not identify Mohammed Atta or any other 9/11 hijacker prior to 9/11 "and dismissed other assertions that have fuelled 9/11 conspiracy theories," particularly the controlled-demolition theory of 4 World Trade Center. John F. Lehman, a member of the prominent investment banking family and secretary of the navy under Ronald Reagan—who notoriously argued in a letter to President George W. Bush that "even if evidence does not link Iraq directly to the attack, any strategy aiming at the eradication of terrorism and its sponsors must include a determined effort to remove Saddam Hussein from power"—was one of two 9/11 Commission members who claimed not to have received any information on Able Danger. An unreconstructed Cold Warrior and presidential campaign advisor to Mitt Romney, Lehman has profited personally from advocating strong interventionist

policies on the part of the United States.[33]

According to Thiel, he built his new venture on the premise that some of the approaches PayPal had used to fight fraud attacks conducted by Russian organized crime syndicates—which at one time threatened its existence—could be "extended" to fight terrorism. The company said computers using artificial intelligence alone could not defeat an agile adversary and proposed using human analysts to explore data from a multiplicity of sources.

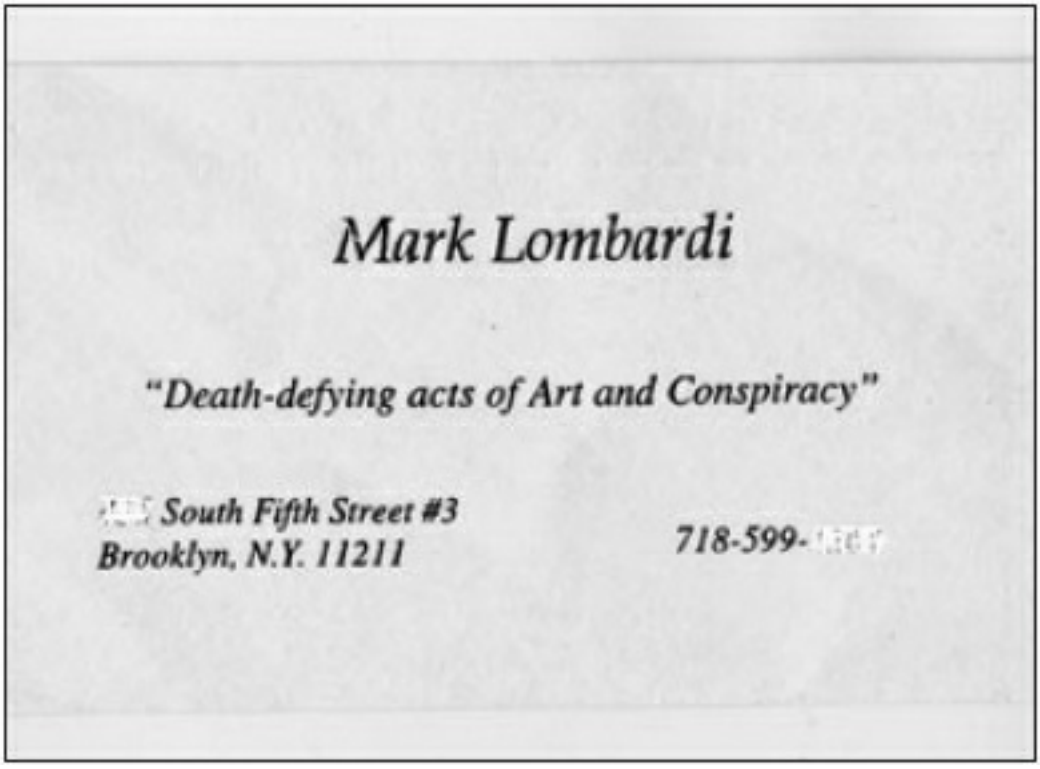
The Palantir website explains: "We make products for human-driven analysis of real-world data . . . that empowers people to ask and answer complex questions without requiring them to master querying languages, statistical modeling or the command line. To do this we build platforms for integrating, managing, and securing data on top of which we layer applications for fully inter-active human-driven machine-assisted analysis." On one of its platforms, Palantir Gotham, it claims to "fuse the data into a human-centric model. . . . Working closely with the customer our engineers integrate and map all of the relevant source data—regardless of type or volume—into a single, coherent model. . . . As bits of data flow into the Palantir Gotham platform, they are transformed into meaningfully defined objects and relationships: people, places, things, events, and the connections between them." Any updates to the source data are pushed to the platform (presumably by spiders crawling the web) and, as users build their analyses, all their actions are automatically tracked, attributed, and stored. With their other, financial-analysis platform, Palantir Metropolis, the company has gone toward "Unraveling complex financial crime" of the variety mapped by Mark Lombardi. In a White House press conference on June 18, 2010, Vice President Joseph Biden and Budget Director Peter Orszag attributed the Recovery Accountability and Transparency Board's success in fighting fraud in the wake of the stimulus to Palantir's software as deployed by the federal government.[34] In 2014, the company closed an estimated $1 billion in contracts.[35]

THE TRANSMOGRIFICATION OF the artist who couldn't draw into the state-of-the-art technology of Palantir makes an oddly beautiful elegy for Mark Lombardi. Somewhere along the long and painful road to becoming an artist, the boy who wanted to be famous more than anything else became real, or as his teacher Jim Harithas would put it, "authentic." In the arduous process of trial and error, he intuited a way not only to compensate for the drawing skills he lacked, but also to take his place in the pantheon of a long lineage of high art that reaches back to the heights of the Renaissance. The invitation to the eye in Lombardi's curving "edges" discerned by Roger Hurwitz and now claimed by Palantir as a traffic-analysis tool is, paradoxically, part of a very long tradition of art deeply rooted in the human, in the drawing of *Vitruvian Man* Lombardi kept for years in his files. Despite his outward rejection of all things classical, the ultimately conservative Lombardi deeply respected that "Canon of Proportion" Leonardo da Vinci drew to demonstrate his belief that the correlation of ideal human proportions with geometry is in fact a cosmography of the universe and which is often used to represent the perfect blend of art and science during the Renaissance. The text Leonardo wrote to accompany his famous image of a man in two superimposed positions with his arms and legs apart and inscribed in a circle and a square is the mantra that my life-drawing teacher repeated to me and that Lombardi's undoubtedly repeated to him. It is the mantra every life-drawing teacher repeats to his students: "The length of the outstretched arms is equal to the height of a man . . . from below the chin to the top of the head is one-eighth the height of a man . . . from the breasts to the top of the head is one quarter of the height of a man. . . ." Da Vinci attributed his metric to the ancient Roman architect Vitruvius, who used human proportionality to create aesthetically inviting architectural proportions. Vitruvius got it from in the "golden ratio" first conceived by Pythagoras and Euclid in ancient Greece. Da Vinci's friend and colleague, the Franciscan friar Luca Pacioli, who was known as a mathematician but was also trained and keenly interested in art, saw a

Catholic religious significance in the ratio: The title of his life's work, *La Divina Proportione*, may have captured the Catholic Mark Lombardi's youthful attention. The French architect Le Corbusier built upon the ideas of Vitruvius to show his faith in the mathematical order of a universe closely bound to the golden ratio and Fibonacci's sequence of numbers, in which the third number always equals the sum of the two preceding numbers, a sequence he described as "rhythms apparent to the eye and clear in their relations to each other"—almost the same description the computer scientist David Eppstein used to describe the aesthetics of Mark Lombardi's work.[36] Lombardi used his aesthetics in the most classical sense, to represent nature, but, as classicist Richard Stout put it, a form of nature invisible to the naked eye, the 21st-century nature of networks hidden underneath the surface of things.

It is of course impossible for us to know what went through Lombardi's mind in his last moments, but I like to think that perhaps he was allowed at least one moment of the kind of grace he had rejected long ago in his Catholic boyhood—the kind of grace that's in the homily "That which we have chosen is given to us and that which we have refused is also and at the same time given to us." He rejected the uncomprehending 1950s idyll of his childhood but pursued justice for the American Dream in his work. He loved his country in his own way—critically—and that tenacious love transformed his shot at fame from a temporal grab at 15 minutes to an exacting, enduring quest. I hope he was granted at least a moment to realize what he had done. For all the faults he could lay claim to, and perhaps even because of some of them, Mark Lombardi, the pot-headed, promiscuous, smart-aleck, SDS card-carrying metal worker's son from Syracuse, New York, finally found his way into the family he craved above all others. Through sheer hard work, through his dogged refusal to accept the general standard of mediocrity apparent in the modern art world and only to do his best with the materials he had at hand, he can claim legitimate intellectual descent from a true aristocracy of artists—not only from da Vinci but through da Vinci to Ada Lovelace,

Lord Byron's daughter and the inventor of computer science, whose poet father was an elected member of the greatest scientific society of his age —and who likewise intuited the mechanics of computer science from a jacquard weaving pattern on an early industrial-age loom.



In business in New York, 1997-2000: Mark Lombardi's calling card.
COURTESY OF LOMBARDI FAMILY

Lombardi at home in Syracuse c. 1999.
COURTESY OF LOMBARDI FAMILY

Lombardi age seven: The King.
COURTESY OF LOMBARDI FAMILY

Lombardi as a teenager: behind his eyes a disturbing equation between having fame and dying young was already taking shape.

COURTESY OF LOMBARDI FAMILY

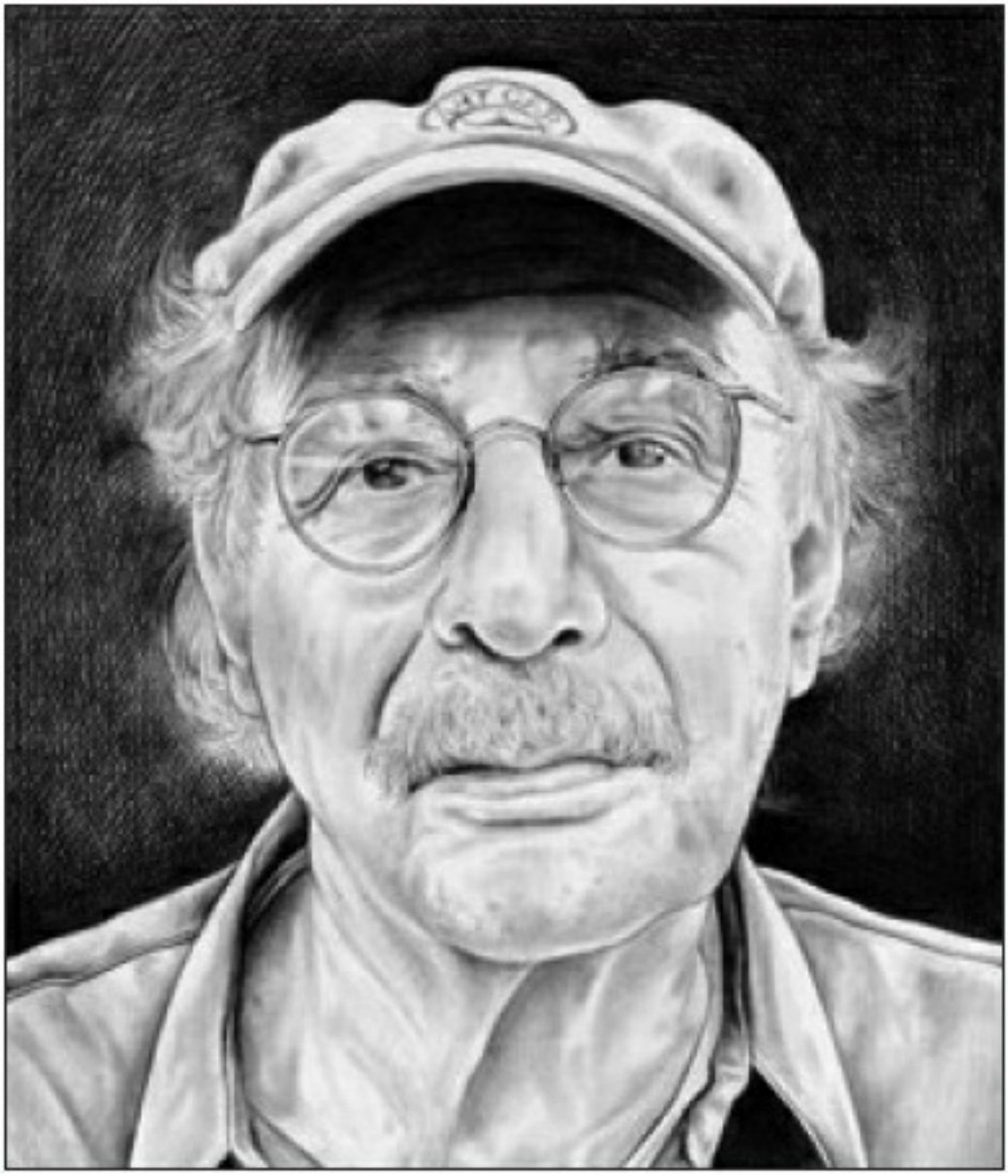
Lombardi, home from college c. 1970.
COURTESY OF LOMBARDI FAMILY

Lombardi, age 29 on the day of his wedding, March 22, 1980.
COURTESY OF LOMBARDI FAMILY

Lombardi c. 1990: a highly competitive player.
COURTESY OF LOMBARDI FAMILY

Lombardi and his sisters, Laura and Lisa.
COURTESY OF LOMBARDI FAMILY

Lombardi at a gallery opening c. 1998 in his favorite suede jacket.
COURTESY OF LOMBARDI FAMILY



Portrait of James Harithas c. 2000: still a loaded pistol.
PORTRAIT BY © PHONG BUI

The Blond Ghost: Ted Shackley.

Sissy Farenthold c. 1986: the melancholy rebel in a Parisienne moment.

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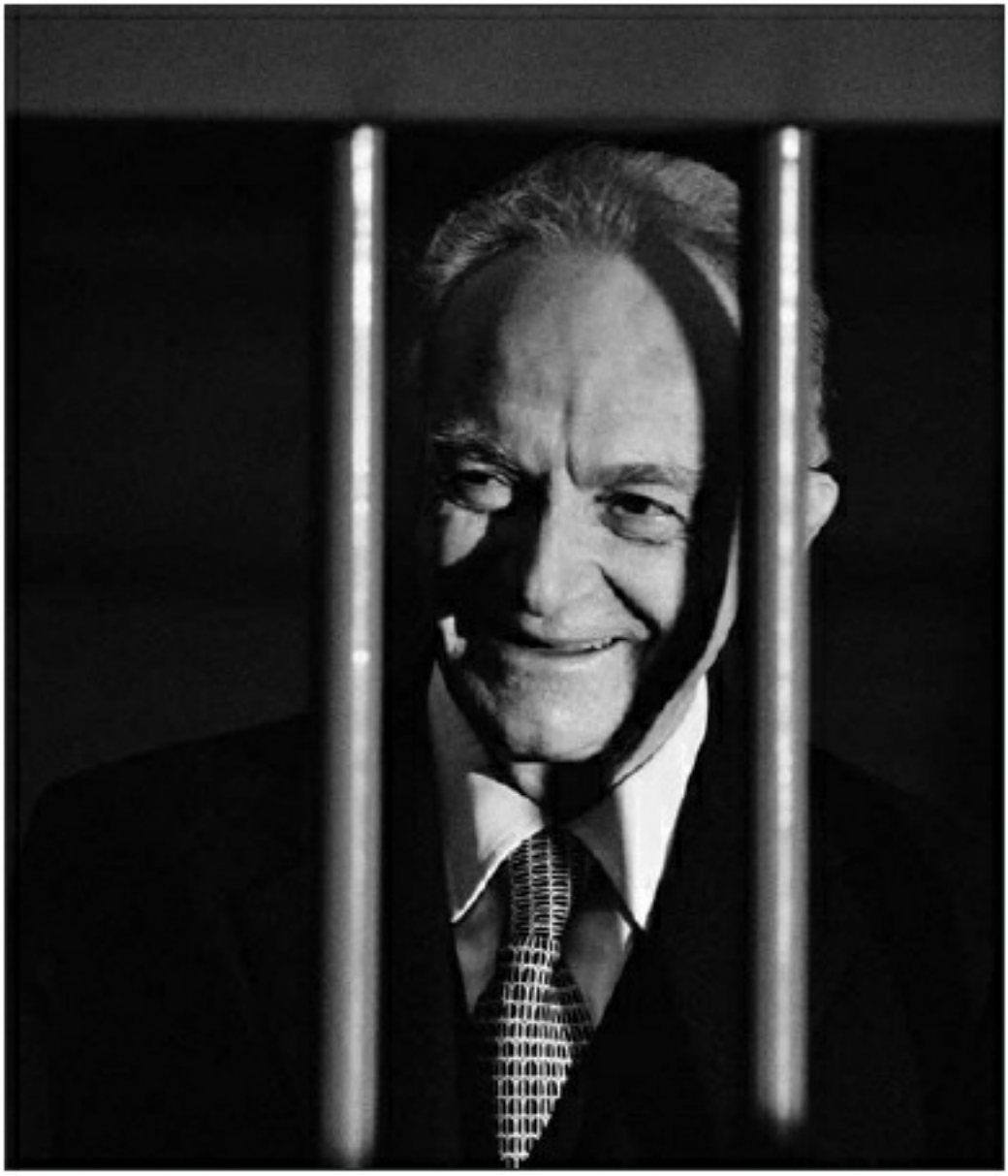

Michele Sindona c. 1986: an exceptionally resourceful tax accountant.

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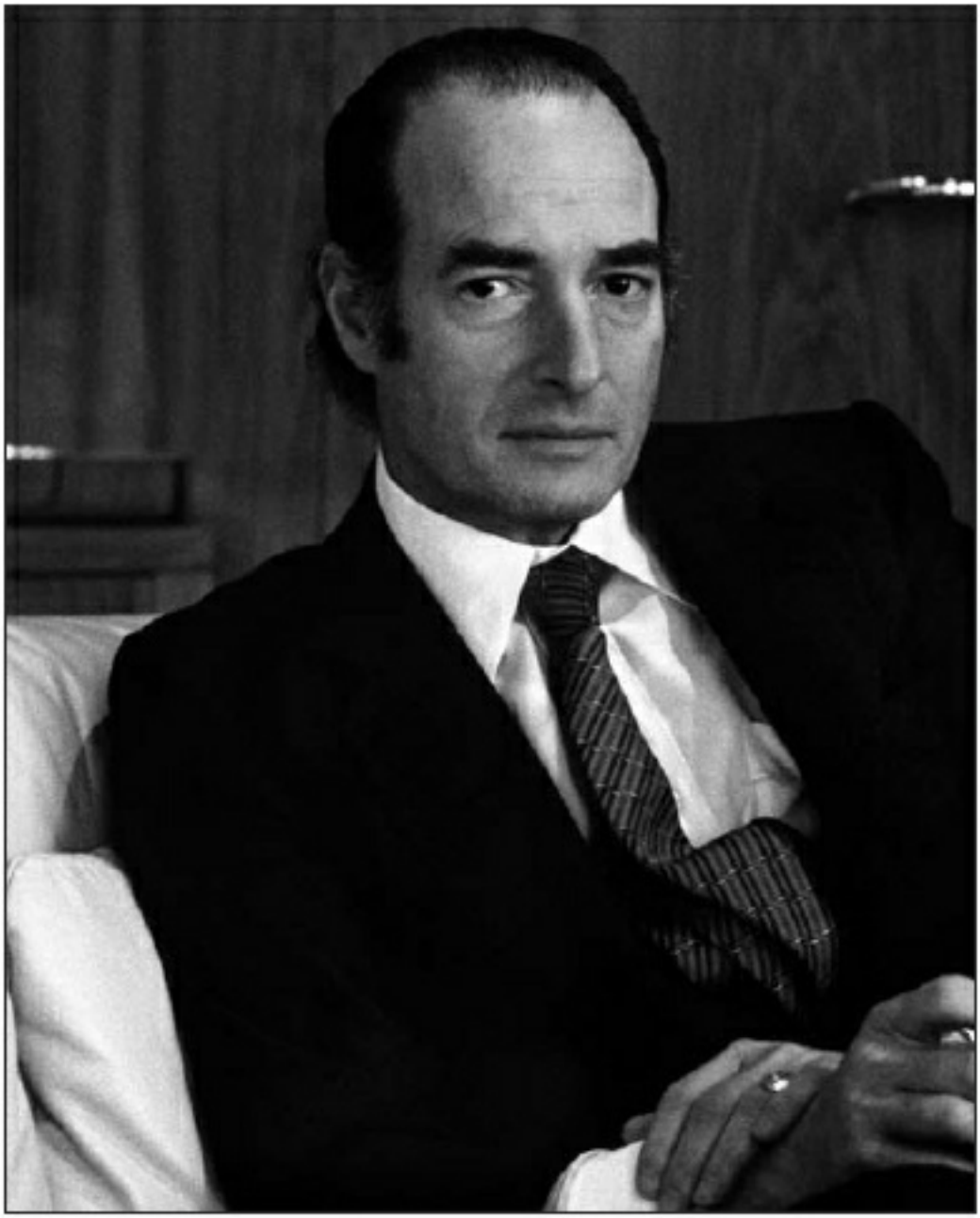
From Left Paul Helliwell, Michael Hand, and Frank Nugen. The personification of the CIA's respectable financial aspect of international drug trafficking.

© SPARTACUS EDUCATIONAL



Marc Rich, one of the world's greatest and smoothest villains.
© MAGNUM

Bush Family, 1981.

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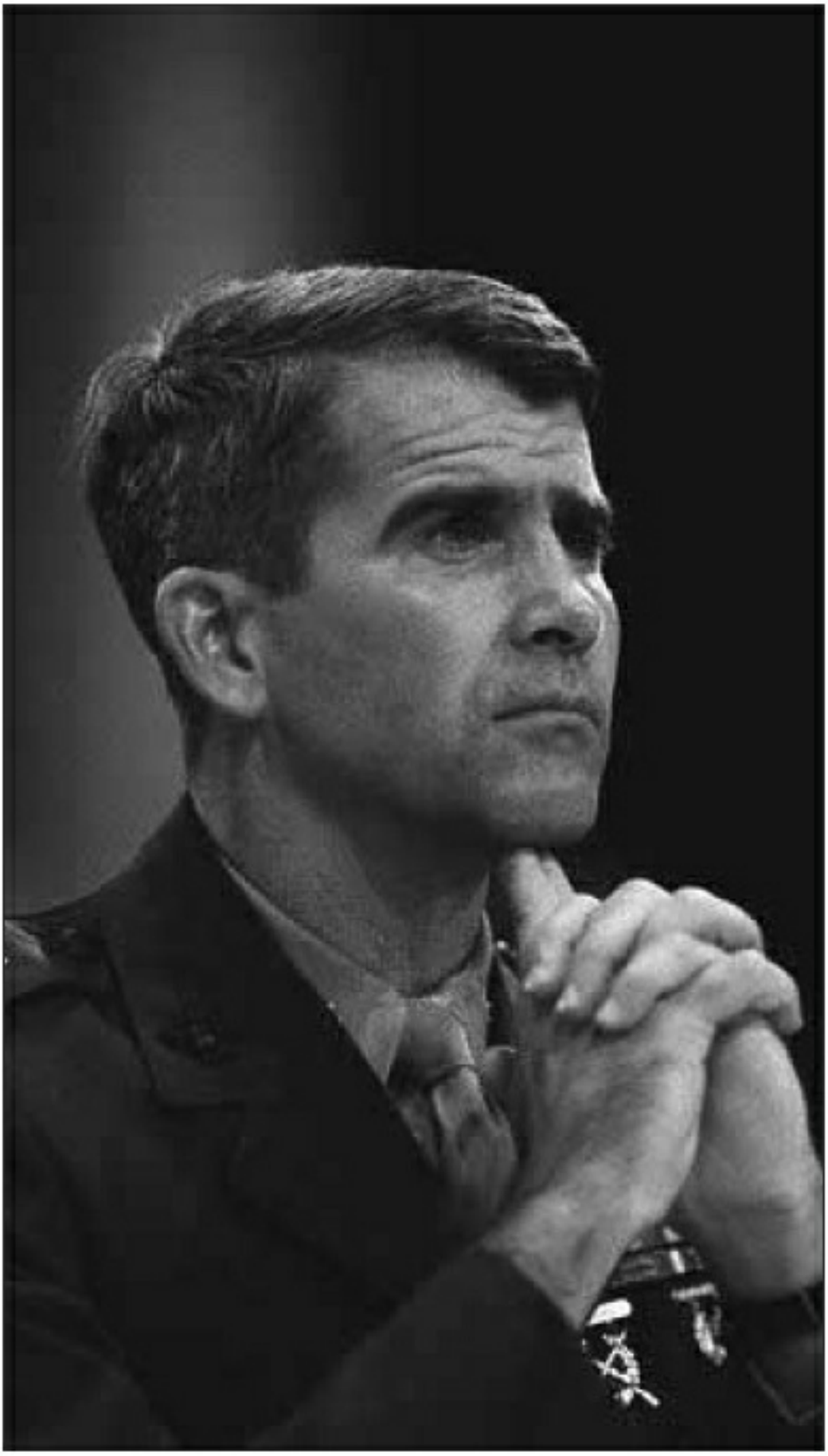

Oliver North, c. 1986.

© BETTMAN/ CORBIS

Guillermo Hernandez-Certaya

Santo Trafficante & Carlos Marcello: The American end of the French Connection.

© NEW YORK DAILY NEWS

Khalid bin Mahfouz, banker to the Saudi royal family.
© THE NATIONAL

Kamal Adham, founder of Saudi intelligence.
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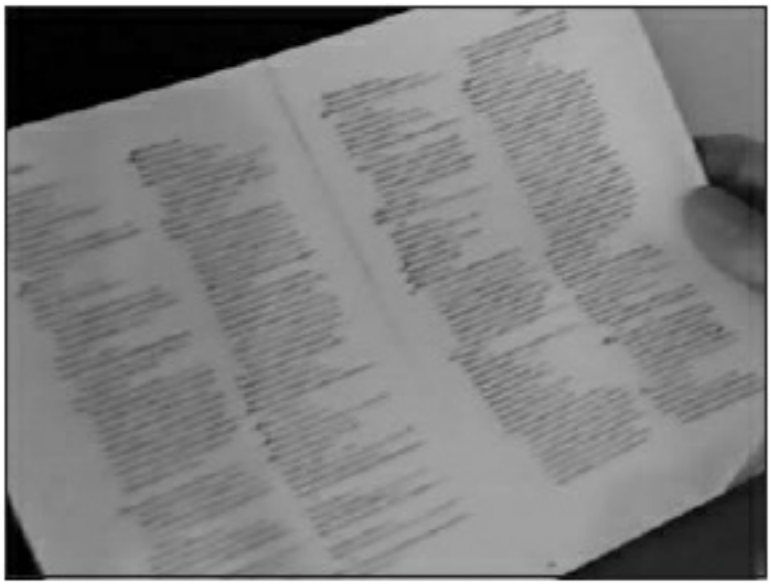

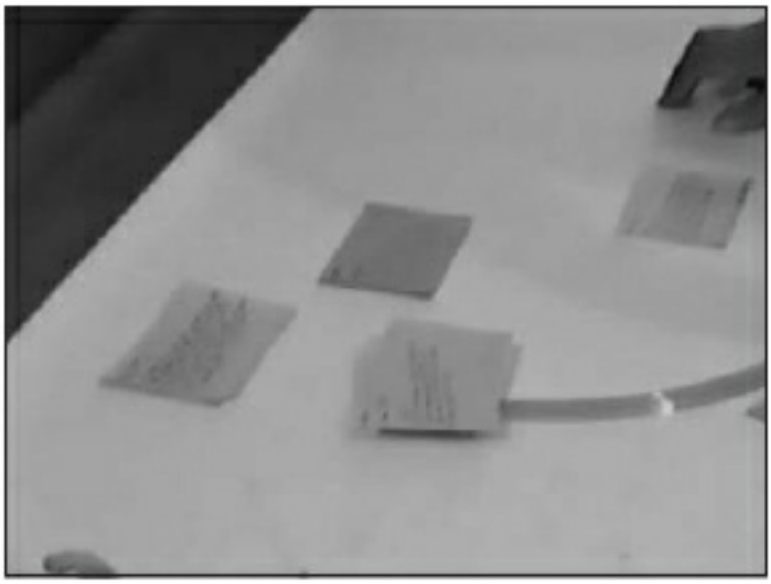

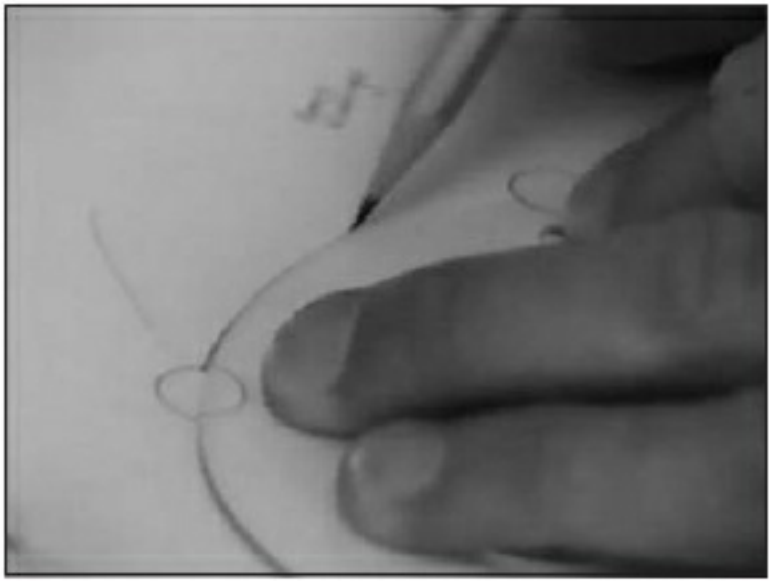

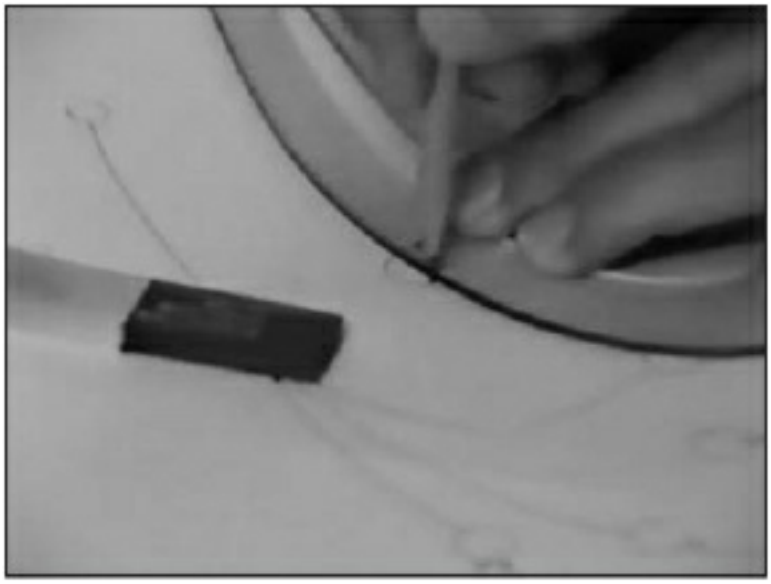

Mark at work: stills from Andy Mann’s documentary, c. 1996.

© MARK LOMBARDI ESTATE

PART TWO

“There is nothing so difficult as discovering the present.”

—HAROLD ROSENBERG

"THE ONE CONTINUAL DRAWING IN MY HEAD"

"A criticism often leveled at conspiracy theorists is that there is not enough proof, that the timelines and the narratives have gaps. There is the assumption, especially among mainstream journalists, although refuted by modern historiography, that the full and objective story is possible, and that therefore nothing can be true without a coherent narrative."

—CARLO PARCELLI, REVIEWING ROBERT HOBBS' *MARK LOMBARDI: GLOBAL NETWORKS IN FLASHPOINT MAGAZINE*

Denizens of the art world like Robert Hobbs or Lawrence Rinder suggest that Mark Lombardi's work ultimately falls short of its revelatory aspirations: that his drawings are "beautiful but superficial,"[1] "abstract synecdoches for the missing events they signify but cannot adequately represent,"[2] and/or "rhizomatic." As we have seen, in philosophy, a rhizome is a non- or even anti-narrative construct that presents history and culture as a map or as a wide array of attractions or influences with no specific genesis.

But Lombardi's work has a beginning, if not in our lifetimes an end. Far from being deliberately ambiguous or intentionally obscure as his critics and dealers sometimes infer, it is in fact highly representational as well as narrative. It is both a continual visual history of the development of the world's shadow banking system following the end of the second world war, and, eventually and coincidentally, of the evolution of a shadowy, worldwide web of private intelligence and military firms and Cold War funding sources which coalesced in Oliver North's Enterprise. To suggest that the artist deliberately limited what he drew seems a misperception, given the evidence of the third, damaged *BCCI* drawing, and his often-repeated comment "You can hang the truth on a wall for everyone to see and most people won't give a damn."

In a slashing critique, fellow artist Robin Utterbach wrote, "In spite of the individuality of the drawings and the appearance that they convey

masses of information, it would be difficult to make a coherent and revealing written narrative using nothing more than one of these drawings as a source."[3] But as another critic, Carlos Parcelli, points out in his perceptive review of Hobbs' book on Lombardi, that problem is one fundamental to the discipline of historiography itself. Parcelli's art criticism is echoed by Barbara Tuchman, one of the best and certainly one of the most popular historians America has produced. In her classic *The Guns of August*, she points out a humbling epiphany: "He [the historian] discovers that the truth is subjective and separate, made up of little bits seen, experienced, and recorded by different people. It is like a kaleidoscope; when the cylinder is shaken the countless colored fragments form a new picture. Yet they are the same fragments that made a different picture a moment earlier. This is the problem inherent in the records left by actors in past events. That famous goal, '*wie es wirklich war*,' [how it really was] is never wholly within our grasp."

Tuchman, the historian whose popularity was based on her ability to write narrative, substitutes "picture" for "narrative." Lombardi, the artist who wanted to write narrative, used it to create pictures. He filled in the gaps in the records with the sheer cumulative volume of often circumstantial evidence, marshaling the heft of the myriad small and separate truths he uncovered to create what computer scientist David Eppstein described as the "strong rhythms" of the flows of money Lombardi depicted in his work. Those swelling visual rhythms convey an overwhelming sense of directionality without an obvious impetus—exactly the quandary of another social science, economics, in which "The general penchant to hide underground activities often precludes direct observation of their occurrence, necessitating the use of indirect measures."[4]

Each drawing, or series of drawings, represents a different scandal, sometimes by different sets of actors, and yet all the drawings button together through the figures of middlemen whom Lombardi intuitively used like Tuchman's kaleidoscope, to view one scandal through the prism

of another. The fact that they were originally intended to be used by expert witnesses and federal investigators, and the extensive information in Lombardi's file cards—particularly the missing ones—does yield a coherent and extremely compelling narrative to anyone who cares to explore it. It is almost as if this artist, who perhaps more than any other straddles the cusp between the age of art and the age of information, intended his work to be interactive, an epic game inviting the beholder's participation in completing it.

Though the artist's ambitions were cut short by his death, his history, his preoccupations, and his working methods offer several reasons to believe that Lombardi had spent 15 years constructing a 360-degree panoramic history drawing of the offshore, highly privatized banking system that funded the Enterprise among a host of other extra-governmental activities and, at the time of his death, had discovered the link that brought it full circle, back to its genesis in World War II. One is that Oliver North himself named the network of shell companies he and his associates incorporated for arms- and drug-running worldwide as the Enterprise. North used the name in the documents found in his White House safe, to which Mark had access through Bill White and others, no doubt prompting the insatiably curious Lombardi to pose the Socratic question "What is the Enterprise?" Lombardi's rendition of *Oliver North, Lake Resources of Panama, and the Iran-Contra Operation, ca. 1984–1986,* the first of his globe-shaped drawings, contains a highly significant detail showing the axis of the Enterprise network. A line runs from Robert B. Anderson—a Texas-born advisor to three US presidents and to Roosevelt's war secretary, Henry Stimson, and the administrator of a massive covert political action fund known as the Black Eagle Trust as well as treasury secretary from 1957 to 1961 and one of the architects of the Cold War—to General John Singlaub, a principal in North's Enterprise, the Vietnam War, and Iran/Contra; to the Taiwan-based World Anti-Communist League founded by Japanese underworld fixer Ryoichi Sasakawa (also visible), which laundered Black Eagle Trust

bullion out of the Philippines and over which Singlaub presided; to Lake Resources of Panama, North's shell company for laundering arms money in the 1980s that made use of Black Eagle funds. A nearby tangent also shows Ray Cline, CIA deputy director, mentor to Ted Shackley who led the privatization of the CIA after his ouster in Jimmy Carter's 1977 Halloween massacre and, like Shackley, a recurring character in Lombardi's drawings. Cline used Black Eagle war plunder to manipulate foreign governments. Shackley masterminded the globalization of the CIA's private business activities. *Oliver North et al.* is also one of the first if not the first of Lombardi's drawings to switch from a linear to a spherical representation, perhaps indicating the artist's growing awareness of the Enterprise's global span.

It is entirely possible, in fact probable, that Lombardi began drawing the Enterprise network without knowing what exactly it was. But that he intended to show how all the separate scandals he portrayed interlocked to form one system is, as we have seen, apparent in the third version of *BCCI* that was so unfortunately damaged in a flood in his studio and also in an untitled preliminary sketch showing how they all link geographically. Ultimately, the sum of Lombardi's drawings adds up to a complete, worldwide financial web, a living, constantly changing neural network that runs underneath the world's surface—the economy of what conspiracy theorists call the "Deep State" of those who know no boundaries and recognize no governments.

It was an economy that originated with the knowledge and in fact the collusion of at least two Western governments in the mid-20th century in an unprecedented corporate merger between the Japanese yakuza, the Italian Mafia, and elements of the CIA and MI6, for the purpose of funding covert anti-communist operations worldwide. In the process, it was to create an extra-governmental, international banking system with its own central bank—and provide ample opportunity for private, as well as criminal, enterprise.

AS WE HAVE seen, Mark conducted his investigation from the floor of his cramped studio in the freedom of late nights, insulated from distraction with white noise and surrounding himself with his file cards and preparatory sketches, constantly rearranging them until he could approximate the drawing he was to finalize. From the evidence of the third, flood-damaged version of his *BCCI* "ur-drawing," we can also deduce that he had arranged all his existing drawings at least once in a staggeringly large financial network. This network, in the aggregate approximating an alternative global financial system, perhaps prompted two otherwise mysterious complaints in the last few weeks of his life: one, that a further iteration of the drawings would "kill" him with the sheer weight of information it demanded him to understand; and two, that he was a "monkey on a string."[5] One can almost imagine the slight, boyish Lombardi, like the little boy in Hans Christian Anderson's 19th-century classic "The Snow Queen," commissioned to sit arranging ice puzzles on a frozen floor until he had solved the riddle of Eternity (with apologies to Bertrand Russell who posed the riddle of Infinity, another mathematical problem).

One of the many fascinating things about the "one continual drawing" in Lombardi's head is that his work, cumulatively, also represents a picture of his own reasoning process. As we have seen, he developed his unique series of drawings as charts that could be read not only horizontally and vertically and from both directions, but consecutively as well, thus answering the challenge of artificial intelligencers today. Both inductive and deductive, "top-down" and "bottom-up" in artificial intelligence terminology, his logic did indeed begin, as all rhizomes do, *intermezzo*, or between things. The fact that all the drawings are recursive and feed into each other is precisely what gives the work its maddening, fascinating complexity.

The art world has generated a number of creation stories about how Mark began his work. According to his dealer, Deven Golden, all of the drawings came out of the two original file boxes of Lombardi's research

into BCCI, which the artist traced backward (to Meyer Lansky and Al Capone's regime in the 1930s) and forward to the present day (in Mark's timeframe, the 1999 Marcos money-laundering trial). Another account has it that all the names in it originally came out of the index of the 1986 Tower Commission Report on Iran/Contra.[6] Both creation stories are partially true, but Lombardi's logic is more accurately described by a sentence buried deep in *Gold Warriors*, Peggy and Sterling Seagraves' magisterial history of the Black Eagle Trust, a huge secret stash of World War II plunder vested largely in gold bullion that funded covert anti-communist action globally throughout the Cold War: "Eventually, Iran-Contra revealed the intimate bonds between members of The Enterprise and unelected officials of the National Security Council, Pentagon and CIA."[7] That was the puzzle Mark Lombardi, under the aegis of Sissy Farenthold, began to unpick *intermezzo* in the mid-1980s, armed with the document copies from Oliver North's safe and North's own visual aid, a crudely sketched interlock. By tracing the network of power broker Robert B. Anderson, Lombardi was able to trace the financial scandals that "went down" in Texas, the focus of Farenthold's inquiries, to those bonds. In fact, Lombardi's drawings of a half-century's worth of financial malfeasance show a consistent and troubling link to the treasury secretary's office, a link that suggests at least some answers to the question the Seagraves had difficulty answering because documents are still sealed: How were the covert funds of the Black Eagle Trust managed "from the top down"?[8]

Lombardi told critics that he started to draw his narrative because he couldn't keep it all in his head, but in fact he could. It is certainly a challenge to try to finish it here, in the compressed space that this book affords, but by grouping the 24 major drawings in the 2003 traveling exhibit of his work, it is in fact possible to trace chronologically how the Enterprise began. *The Al Capone Regime, ca. 1931–1983* and *Meyer Lansky's Financial Network* show the origins of the CIA's alliance with the Mafia after World War II and its expansion into an unparalleled

corporate merger with its connections in the World Anti-Communist League and the Bay of Pigs fiasco in 1962. *Inner Sanctum: The Pope and His Bankers*, versions 1–6, link that alliance with the creation of the globe-spanning heroin-smuggling route known as the French Connection, the Cold War, and the corruption of the Vatican bank. *Castle Bank and Trust, Nugan Hand Bank of Sydney, Australia*, versions 1–4, and *World Finance Corporation*, versions 1–6, portray the convergence of CIA and Mafia interests in the Golden Triangle heroin trade from 1951 to 1980 and, ultimately, the pooling of that trade with secret shipments of Black Eagle gold. *BCCI-IC-FAB*, versions 1–4, visualize the absorption of Nugan Hand by BCCI and the globalization of the Enterprise under Saudi patronage after the CIA's alienated senior management went private in 1977. *The Pope and His Bankers, BCCI*, and *World Finance Corporation* feed back into multiple savings-and-loan scandals in Texas, where Guillermo Hernández-Cartaya, CEO of World Finance Corporation, Bay of Pigs veteran, alleged Mafioso, and a US-Russian double asset, purchased one of the state's biggest banks, Jefferson Savings and Loan, from one of the nation's most prominent Democrats, Senator Lloyd Bentsen Sr. An equal-opportunity entrepreneur, Hernández-Cartaya maintained a somewhat murky relationship with Senator Bentsen despite the bank's highly publicized failure and Hernández-Cartaya's fraud conviction in 1982.[9] At the same time, Hernández-Cartaya's business partner, another Cuban exile named Camilo Padreda, was involved in questionable real-estate deals with Jeb Bush. Laundered money from Colombian cocaine smugglers flowed from World Finance Corporation through Bahamas-based Cisalpine Bank, owned by Michele Sindona associates Archbishop Paul Marcinkus and Roberto Calvi and through Nugan Hand, whose attorney, William Quasha, was connected to both the Black Eagle Trust and George W. Bush's Harken Energy.

Lombardi's "one continual drawing in my head" visualizes, among other things, the pooling of clandestine funds into an exponentially expanding pot of black money that, because it remained clandestine out

of "reasons of national security," remained out of the reach of any regulation—the definition of a shadow banking system.[10] His fascination with Michele Sindona, a pioneer in the ingenious use of derivatives, resulted in drawings series like *The Pope's Banker*. These drawings show graphically how black funds bonded with the legitimate banking system through the magic multiplier of financial engineering and how, with the aid of derivatives such as gold bearer certificates, they could invade other lucrative commodities like real estate, acquire major media holdings, and, ultimately, become large enough to trigger destabilizing crises such as the US subprime crises of the 1970s and 1980s with which Sindona's investments were intertwined. Lombardi's *BCCI* series shows how this malignant growth metastasized worldwide when covert funding was driven underground by the Congressional investigations of the 1970s and NSC staff began organizing private money for covert American Presidential projects. The third, damaged *BCCI* drawing shows the entrance of the Mafia's chief competition, the Russian *mafiyeh*, flush with the oil, aluminum, and other plundered riches of the former Soviet Union, into the US banking system in the 1990s.

The ballooning distortions Lombardi drew suggest the impact of this deluge of hot money on the global economy, to the extent that, as economist Hernando de Soto remarked at the height of the 2008 financial crisis, all the world's tangible property assets are now dwarfed by untrackable paper derivatives.[11] It can also be argued, through the narrative of the Black Eagle Trust and its tributary streams, that the constant, exponential increase of criminally tainted funds created an underground system big enough to undermine the legitimate banking system and run counter to the mandates of its governments, a system with its own political agenda to overturn any democratically elected government that leaned even moderately to the left. It is disconcerting to note, as *Financial Times* reporter Izabella Kaminska recently did, that "early 2004 is when OPEC and the Fed first became concerned about the depreciating dollar vis-à-vis inflation and the oil price—almost as if

some sort of shadow banking source was pumping in non-asset-backed dollar liquidity of its own beyond the Fed's control."[12] And again, in a June 2008 speech, US Treasury Secretary Tim Geithner placed significant blame for the freezing of credit markets on a run on the entities in the shadow banking system by their counterparties—who remained, literally, in the shadows.[13]

With virtual unaccountability and, eventually, the initiation of the Mafias of many countries into the exotic bookkeeping skills of derivatives markets, the sky was the limit and the hijacking of a major economy no longer impossible. Ironically, in 1996, just as Islam was replacing the communist threat, the head of Interpol, a former British Special Branch officer named Raymond Kendall, was to declare that "The Cold War is over: the most dangerous threat to a nation's security comes from organized crime."[14] The moment between 1945 and 1957, the creation moment of the world Mark Lombardi chose to inhabit, is the moment in which the security forces themselves put that threat in place.

THE BLACK EAGLE TRUST

What Lombardi apparently did not know when he executed his first drawings, sometime in the late 1980s, was that the center of the narrative was a dragon's hoard of imperial Japanese treasure hidden by the emperor's commanding offices from advancing American forces. Re-concealed in the Philippines at the end of World War II in a unique collaboration between high US Army officials and Japanese gangsters, the immense stash, almost sufficient to finance another world war, often seemed cursed for the cruelty and corruption it inspired. It became seed money for a covert fund for global Cold War operations known as the Black Eagle Trust. In 1999, in the last months of his life, Lombardi began moving toward that discovery with the execution of two drawings, *Bishop, Baldwin, Dillingham, Rewald and Wong* and *George Bush, Jackson Stephens and Harken Energy, c. 1979–1990*, that both depict elements of the financial network of deposed Philippine dictator Ferdinand Marcos and his rapacious wife Imelda. In order to fully understand what is in Lombardi's drawings, it is perhaps best to start with the missing information those drawings begin to represent.

In *Gold Warriors*, their definitive work on the Black Eagle Trust published three years after Mark Lombardi's death, former *Time* staffers Sterling and Peggy Seagrave document the final months of World War II, in which Japanese Gen. Tomoyuki Yamashita fought a delaying action in the inhospitable mountains of Luzon. Several of Japan's imperial princes availed themselves of the opportunity to bury tons of gold bullion and other treasure looted from 12 Asian countries under the auspices of a yakuza overlord, Yoshio Kodama, who was conveniently awarded the rank of rear admiral for wartime services. The Japanese fully expected to retain the Philippines in whatever war settlement was concluded, and the princes oversaw the construction of 175 subterranean treasure vaults throughout the islands. In June 1945, with American troops less than 20 miles from strategic victory at Bambang, Yamashita and the princes

threw a "celebration" for the 175 chief engineers of the vaults but slipped out before entombing them alive with the secret of the tunnels they had built. On September 2, General Yamashita surrendered, to face war crimes charges and the possibility of torture by US Army intelligence forces. Because Yamashita himself could not be tortured without building a case for his defense attorneys, the officers turned their attention to his driver, Maj. Kashi Kojima. They focused their inquisition on information on the dispersal of the treasure, known poetically as the Golden Lily, which had been photographed in transit by US Army personnel.

William Quasha was a Manila-based lawyer on General MacArthur's staff who was privy to the re-concealment of the treasure under the auspices of the OSS, the precursor to the CIA. Eventually, much of the fortune in gold, jewels, and antiquities was to end up in the hands of Ferdinand Marcos, the US-installed Philippine dictator who shared much, though not all, of it with the CIA.[1] Quasha served as an advisor not only to the Marcoses but also to Nugan Bank of Sydney Australia, another CIA enterprise that Lombardi depicted and which was the precursor to BCCI.[2] Quasha's son, Alan, a New York–based investment banker and lawyer who rescued George W. Bush's struggling oil company in 1986, is considered by insiders to be one of the chief masterminds of the Republican Party today, with an outsize influence on the entire Bush family.[3]

In a foreboding mix of metaphors, the Golden Lily treasure became the Black Eagle Trust, a secret fund organized by President Roosevelt's closest advisors—secretary of war Henry Stimson, Robert Lovett (later secretary of defense), John McCloy (later head of the World Bank, chairman of Chase Manhattan Bank, and chairman of the Council on Foreign Relations), and Robert B. Anderson (later treasury secretary). The purpose of the fund was to finance covert political action worldwide. Out of these four "wise men" credited as architects of the postwar world and, not coincidentally, of the Cold War, two—Lovett and Anderson—were Texans, and close associates of the Bush family. Stimson, a Wall

Street attorney who set up a special brain trust to study the future of plunder even while the war was raging, proposed using all recovered Axis loot (Nazi, Fascist, and Japanese) to finance a global political action fund to fight the Cold War that was, even before the hot war ended, already chilling relations between the USSR and its erstwhile Allies.[4] A promising young protégé of Anderson's, Clark Clifford, advised the future treasury secretary on the prevention of Axis looting. Anderson's and Clifford's illustrious careers were to end in disgrace in the late 80s and 90s, when their connections to the global money-laundry were revealed.

The numbers involved in the Black Eagle Trust were staggering. The Japanese war gold alone has been conservatively estimated at $44 billion in 1944 dollars. This could be worth as much as $178 trillion today, depending on the basis of calculation (The figure of $178 trillion is calculated by the mathematical formula for interest rate compounding which states that investment doubles every seven years, compounded at an annual return rate of 10%. Another calculation, based on the NYU Stern School of Business chart on annual returns on stocks, Treasury bonds and Treasury notes from 1928 to the present, projects that a stock investment worth $225 in 1945 would be worth $289,995 in 2014, which means that a $44 billion investment in 1945 would be worth approximately $56 trillion in 2014). Some sources put the original estimate of Japanese war gold as high as $100 billion.[5] To give an idea of what these figures mean, total U.S. military spending at the height of World War II between 1943 and 1944 has been estimated at 41 percent of US GNP which stood at approximately $132 billion, or approximately $54.12 billion. $44 billion would be a little more than 80% of that figure, so in ordering the sequestration of this treasure Roosevelt's advisors put away the lion's share of the budget for a future global war.[6] While official Washington figures for recovered Nazi war gold eventually added to the pot come in at "only" 550 tons, senior CIA sources put it closer to 11,200 tons, over twice that amount.[7] None of these figures, however, are

hard ones, due to both market fluctuation and the largely unknown level of withdrawals from the fund used for waging covert wars over the last 70 years.

It is highly probable that knowledge of the sheer magnitude of this stash of hot money provided the accelerant for the rapid escalation of the Cold War. In 1947, real military spending hit its postwar low at $10 billion, or 4.3 percent of GDP (interestingly, in terms of some of the major players in this narrative, about $45 billion in 1982 terms). In the eyes of at least certain officials like the ardently anti-communist Frank Wisner, who was then at the State Department, relations with the Soviet Union were already deteriorating. Main Street had other priorities. The Republicans had gained control of Congress in November 1946 by promising a return to normalcy, not an assumption of Britain's imperial role. As professor of political economy Robert Higgs notes, "To convince the public, and thereby Congress, of the need for additional spending, administration officials needed a crisis." Gen. Lucius D. Clay, US military high commissioner in Berlin, who collaborated with Wisner and with Senator Herbert Lehman in creating the Crusade for Freedom that features prominently in the Texas politics of this narrative, was happy to create one. In 1948, when communists took over the Czech government, Clay scared Truman into approving more than $3 billion in supplementary defense appropriations by advising that war between the United States and the Soviets could begin "with dramatic suddenness."[8] However, even $3 billion seemed paltry in comparison to the $44 billion that floated, completely unaccountable for "security reasons," offshore.

Henry Stimson's logic was that, because it would be difficult if not impossible to sort out the rightful owners of all the loot, better to keep its recovery under wraps and set up a secret trust, the Black Eagle, to help "friendly" (i.e., anti-communist) governments get into, and stay in, power after the war. The hard figures support what appears to be the wildest of conspiracy theories: According to the sources of the two authorities on the subject, former *Time* staffers Peggy and Sterling Seagrave, the Black

Eagle Trust could only be set up with the cooperation of the most powerful industrial, political, and banking families in Europe and America, including the Rockefellers, the Rothschilds, and the Harrimans.[9] To anyone with a modicum of financial sophistication, let alone the most ingenious of the robber barons, such a virtually bottomless pool of unaccountable, tax-free funds would represent a very powerful temptation, powerful enough to render personal ideology irrelevant. Between 1945 and 1947, much of Yamashita's "sleeping bullion" was spirited out of the Philippines and into the vaults of some of the world's biggest banks, where it became an asset base for patronage. It was a brilliant way to conduct business as well as politics.[10]

Lovett and McCloy, whom Stimson admiringly nicknamed his "Heavenly Twins," had particularly close relationships with Averell Harriman. Building on a dynasty founded by Lovett's father, railway magnate E. H. Harriman's right-hand man, Robert Lovett worked with Averell Harriman at the family Wall Street firm, Brown Brothers Harriman, where Lovett specialized in international currency and lending operations. His skills would be in particular demand immediately after World War II, when volatile currencies created serious problems in international trade, and early forms of derivatives were brought into widespread use to facilitate delivery of goods. McCloy, a poor boy who climbed the ladder via Harvard Law School, engineered a $77 million bond deal for the famously dictatorial E. H. Harriman, who dominated America's innermost banking circles. After the war, McCloy became German high commissioner, from which eminence he, along with Frank Wisner (future head of the CIA's dirty-tricks division, the Office of Policy Coordination) and Allen Dulles, controlled the records pertinent to the investment banking firm of Brown Brothers Harriman, where Prescott Bush had maintained his Nazi clientele. Nelson Rockefeller subsequently invited McCloy to become a partner in the Rockefeller family law firm that became Milbank, Hadley, Tweed & McCloy, and where his most important client was the Rockefeller family bank, Chase Manhattan.

Lovett became chairman of the eponymous 1945 committee advising the US government on the postwar reorganization of American intelligence activities which led to the creation of the CIA. Upon being called back to government to serve as undersecretary of state, Lovett was instrumental in the establishment of NATO, the Western military enforcement arm of the Cold War in Europe. Edwin S. Pauley, a major right-wing oil player with a long intelligence relationship whom Truman appointed to head the commissions on German and Japanese reparations—which ignored sloppy record-keeping about recovered gold and brushed aside questions of hidden Japanese assets—was closely linked to the Texas oil interests of Robert B. Anderson's father, Robert O. Anderson. Recent scholarship suggests that Pauley's appointment was the fruit of efforts to protect oil investments in Europe and the Far East on the part of industry magnates such as Clint Murchison and H. L. Hunt. Pauley, Roosevelt's Petroleum Coordinator for Lend-Lease supplies for the Soviet Union and United Kingdom, also worked closely with George H. W. Bush and Zapata Oil.

Another source of expert guidance was Prescott Bush, George H. W. Bush's father, who also appears as a tangent to the axis of The Enterprise in Lombardi's Iran-Contra drawing. Bush's covert work in setting up front banks and hiding large financial transactions for Hitler's wealthy industrialist supporters through Brown Brothers Harriman gave him exactly the expertise needed by the CIA to conceal its operations from the Soviets despite his recent history of friction with the executive branch.[11]

Bush had a history of servicing America's enemies for commercial rather than ideological reasons. In 1926, he became the American banker for Fritz Thyssen, Hitler's largest single industrial supporter in Germany, through an elaborate money-laundering operation funneled through the supposedly American-controlled United Banking Corporation (actually a front for a number of German nationals) under the auspices of Bush's father-in-law Bert Walker, President of Harriman Brothers. Walker brought Bush into the investment bank in 1926 and put him in charge of UBC. Bush oversaw UBC's German operations from 1926 to 1942, which

included managing Thyssen's American portfolio at a time when Thyssen was contributing over one and a half million dollars to the Nazi Party. In 1942 when, ironically, Bush was named national campaign chairman of the United Service Organization (USO) and raised more than $33 million to provide entertainment for US troops fighting the Nazis, President Roosevelt authorized an investigation into UBC under the Trading with the Enemy Act. The Alien Property Custodian issued a devastating report and confiscated all of UBC's stock.

Bush turned his considerable energies toward advising the elite Directorate of Plans, the most subversive division in the new CIA. The Directorate of Plans was to become the Directorate of Operations, and Ted Shackley's bailiwick.[12]

At Brown Brothers Harriman, Bush also worked with Allen Dulles, who was to head the CIA and, immediately after WWII, ran his own anti-communist private intelligence service out of his Wall Street office, using bankers and businessmen from Prescott Bush's network who worked with the Nazis before the war.[13] Prescott Bush's father-in-law, George "Bert" Walker, who founded the St. Louis investment firm G. H. Walker & Co. in 1900, served as president of what became Brown Brothers Harriman in 1920. In the late 1940s, Brown Brothers became a cover for CIA operations that found previous Nazi connections an asset in the fight against communism.[14]

In addition to his banking career, Bush, a board member and investor in Pan American World Airways, arranged for the CIA to use overseas Pan Am offices as cover and was involved in setting up maverick Air Force Gen. Claire Chennault's Flying Tiger Airlines and Civil Air Transport, a CIA proprietary that became known for ferrying drugs from the Golden Triangle to finance anti-communist insurgencies for Chiang Kai-shek. Bush also used his influence to help his friend William Pawley, a former Pan Am executive who undertook secret operations for the OSS in China, promote the interests of the pro-republican Chiang Kai-shek "China lobby."

G. H. Walker & Co. would eventually become part of the toxic investment conglomerate Merrill Lynch, which, as we shall see, had a history of CIA money-laundering leading back to Rome in the 1950s. The leading underwriter of the (subprime) mortgage-based collateralized debt obligations that brought down global financial markets in 2008, Merrill Lynch was acquired by Bank of America in 2009 after being sued for fraud by the SEC. Six of its executives were also convicted in 2004 for helping Enron execute its massive accounting fraud. Merrill Lynch & Co. ceased to exist as such soon after. It finally merged into the Bank of America Corporation in 2013, although the bank's wealth management division still carries its name.

LOMBARDI APPEARS TO have worked his way backward to the genesis of his life's work at the end of his career and indeed of his life. It is possible, though not documented in either his files or his extensive bibliography, that he was aware of a series of articles on the Japanese gold recoveries written in 1975 by columnist Jack Anderson, who himself played a role in this story and whose sons Jon and Scott published a 1986 book, *Inside the League*, on one of the Black Eagle conduits, the World Anti-Communist League. In 1999, Lombardi executed a preparatory sketch of *Bishop, Baldwin, Dillingham, Rewald and Wong*, the Honolulu investment firm that "salted" much of Imelda and Ferdinand Marcos's $12 billion fortune into US real estate and other investments. As John Singlaub acknowledges in his memoir, the Marcoses owed their billions to Yamashita's gold.[15] In 1999, Lombardi also executed the finished drawing of *George Bush, Harken Energy, and Jackson Stephens* that was spirited off to Germany shortly after his death. These drawings, as well as the *BCCI* master drawing so badly damaged in the flood in his studio in February 2000, contain narrative fragments and hitherto obscure figures essential to the Black Eagle Trust such as Ryoichi Sasakawa, the futures speculator who, with his partner, the yakuza boss Yoshio Kodama, founded the World Anti-Communist League; and William Quasha, the

American-born engineer, lawyer, and Masonic leader who established himself in the Philippines after serving as an officer on General MacArthur's staff, where he helped administer the secret dispersal of the treasure. The way in which *George Bush, Harken Energy* . . . is constructed—with the "hubs" (or "nodes," as Lombardi called them) of William Quasha, his son Alan (who was to rescue George W. Bush's Harken Energy from financial ruin), and the Marcoses themselves forming a vector in the lower left quadrant of the drawing (which appears to trail off the rest of the design)—suggests that Lombardi was planning to use these "nodes" as the connector or starting point of another drawing. Had he lived, that drawing or series of drawings might have mapped the Black Eagle Trust itself, the missing hemisphere in the global totality of Lombardi's work.

Just as they were to do with the Nazis in Europe, the American occupation authorities found Japan's war criminals increasingly useful in combating their new enemy, communism. In Japan as in Italy, the political left emerged from the war as a major power bloc with, the American authorities feared, the potential for leading the nation into the Soviet fold. In 1948, among other Japanese war criminals and fascist organizers, they released two underworld leaders, Ryoichi Sasakawa, a rice futures speculator who later described himself as the "world's wealthiest fascist," and Yoshio Kodama, a thug who during the war made himself a fortune of at least $200 million by seizing war materiel at the point of a gun and selling it back to his own government at exorbitant prices.[16] That fortune pales, however, beside the $13 billion Kodama personally amassed by looting the Chinese underworld during his wartime career as a "rear admiral" in Japan's Imperial Navy and which constituted almost a third of the Golden Lily treasure. After the war, Kodama, who was also in charge of Japan's wartime drug trade, gave the CIA $100 million out of his personal fortune to get out of jail and personally financed the creation of Japan's Liberal Democratic Party to prevent the left from becoming the dominant political party in Japan.[17]

Sasakawa, though heavily connected in the right-wing underworld through a terrorist organization called the National Council of Patriotic Organizations, maintained a respectable business front. Kodama became the supreme boss of the Japanese underworld. In 1978, he precipitated the Lockheed scandal, on which Mark Lombardi lavished his attention, by bribing the Japanese government of Prime Minister Tanaka to buy Lockheed planes.[18]

The torturer-in-chief of General Yamashita's driver Major Kojima was an enigmatic Filipino-American intelligence officer named Severino Garcia Diaz Santa "Santy" Romana. Romana was himself supervised by Edward Lansdale, a protégé of soon-to-be-former OSS chief William Donovan. An insignificant advertising copywriter before the war, Lansdale "used Madison Avenue language to construct a squeaky-clean Boy Scout image, behind which he hid his own perverse delight in atrocity."[19] The OSS had just been forcibly retired by the war's end. To preserve his intelligence assets as well as his own personal network, William Donovan, a former Wall Street lawyer known as "the father of American Central Intelligence" who would return to his highly successful career in finance after the war, offered Lansdale a transfer to an army posting in the Philippines.

Lansdale seized the opportunity to observe Kojima's torture as a means of creating an unassailable niche for himself in the new world order. After two weeks of grisly torment, Kojima broke down and led Lansdale and Santa Romana to over two dozen Golden Lily hiding places. With the information Lansdale provided, not only did his boss William Donovan win his battle with the new president, Harry Truman, over establishing a centralized American intelligence service, but he secured off-the-books funding equivalent to 15 percent of the total American cost for World War II.[20]

According to the Seagraves, the Black Eagle Trust became embedded in the world financial system under the negotiating table at the Bretton Woods conference in New Hampshire in July 1944, when America's

allies, bankrupted by four years of war, had no choice but to look on as the United States set about dollarizing the global economy. Britain, prewar queen of world banking, was up to her ears in debt to the United States and had been obliged to take the backseat in postwar economic planning as the price for a $30 billion war loan. Because of widespread suspicion that the British-backed Bank of International Settlements in Zurich had been laundering Axis loot, Bretton Woods set up a new international clearinghouse, the International Monetary Fund, to act as the world's moneychanger, backed by the United States government. Gold was pegged at $35 an ounce, and all other currencies pegged to the dollar. The only currency strong enough to meet rising demands for international currency transactions was the US dollar, which thus supplanted the British pound. (Not only the strength of the US economy, but also the fixed relationship of the dollar to gold at $35 an ounce and the commitment of the US government to convert dollars into gold at the price, gave the greenback even more flexibility than gold.) The United States held 60 percent of the world's official gold reserves at the time, a monopoly that somewhat belied its public insistence on "free trade": the *sub rosa* Black Eagle reserve would give it even more dominance.[21] In the postwar world, the Black Eagle funds would also be used to buy elections and manipulate foreign governments.

The importance of the Black Eagle Trust to the world economy was made apparent to Harry Truman when he became president on April 12, 1945, after FDR's sudden collapse and death. Stimson's brain trust made a persuasive case that if the existence of so much black gold were made public knowledge, the fixed price of $35 an ounce would plummet. Since the US dollar was linked to gold, and so many currencies throughout the world were linked to the dollar, the dollar would, indeed, in the famously arrogant words of another US treasury secretary, John Connally, who figures so prominently and so egregiously in this story, become everybody's problem.

The persuasive Lansdale, whose gift for dramatic exaggeration made

him a popular guest on the Washington dinner circuit, promoted the black gold as an extra floor for the postwar economy that would, coincidentally, give Washington even more leverage in wresting world banking away from the Brits.

According to Ray Cline's Iran/Contra testimony, between 1945 and 1947 the Japanese gold, under the direction of Robert Lovett, an expert on foreign exchange and currency controls who returned to Brown Brothers Harriman for two years after the war, was discreetly moved by ship to 176 banks in 42 countries, though much of it remained behind in the Philippines.[22] The gold became "sleeping bullion," meaning that it was at least initially earmarked and strictly limited in the uses that could be made of it. However, gold bearer certificates and other forms of derivatives could be given away as gifts or bribes to countries and individuals that cooperated with Washington's Cold War agenda without giving away the bullion itself. Beneficial trusts for statesmen and military and business leaders could be set up as well.[23] By limiting the amount of gold that reached the market, those who controlled the Black Eagle Trust could hold far more than the official gold supply, keeping gold prices artificially high while using derivatives, a financial instrument intimately related to Sasakawa's past as a futures speculator, as a clandestine slush fund.

Ray Cline, part of the band of OSS brothers known as the "old China hands," which included Lansdale and General John Singlaub, was a key player in both the Black Eagle Trust and the Enterprise. He appears in Lombardi's Iran/Contra drawing linked to GeoMiliTech DC, one of the conduits for Oliver North's scandalous adventure. Educated at Harvard and Oxford with a special interest in financial intelligence, Cline was a young OSS analyst in what remained of Nationalist China, in which position he acquired knowledge of the Golden Lily/Black Eagle hoard. Cline joined the CIA on its formation in 1947. He was promoted to chief CIA analyst on the crucial conflict zone of Korea (where much of the Japanese war loot came from), dealing closely with Singlaub, CIA banker

Paul Helliwell, and William Casey, who shared his interest in financial intelligence.[24] From 1958 to 1962, when the first preparatory meetings on the establishment of the World Anti-Communist League were being held in Taipei, he was elevated to CIA station chief in Taiwan in 1957, courtesy of Frank Wisner and his Office of Policy Coordination. In Taipei, Cline was responsible for clandestine operations throughout Southeast Asia and, moreover, had access to little-scrutinized foreign-aid counterpart funds sitting in a vault at the American Embassy at Taipei that became the initial financing for the Asian Peoples' Anti-Communist League (a collaboration between Chiang Kai-shek, the Republic of the Philippines, and the Republic of Korea) and Sasakawa's World Anti-Communist League, both channels for the Black Eagle Trust. A founding member of the World Anti-Communist League, Cline developed a particularly close relationship with Chiang Kai-shek's son Ching-kuo, who became Cline's partner in building the Political Warfare Cadres Academy, a Soviet-modeled pillar of the police state that, with mysteriously abundant funding, built a media empire of radio stations, publishing houses, and movie studios as well as one of the "most pervasive internal security and spying networks in existence."[25] The playbook for the academy, where trainees were taught "to defeat communism, we had to be cruel," came straight out of the pages of Sir Julian Amery's manual on counter-insurgency and was exported, via the World Anti-Communist League, to military dictatorships of Latin America.[26] Those countries represented some of the few political allies the Chinese Nationalists had left. They would become some of the world's worst killing grounds in the 1970s. The World Anti-Communist League became one of the chief conduits for dispensing Black Eagle funds. As the Seagraves delicately put it: "Making intelligent use of so much invisible wealth during the Cold War . . . was not so easy. In Japan and elsewhere, because of their extreme secrecy, the funds soon got into corrupt hands, where they remain to this day."[27]

Cline himself was personally well-acquainted with the Kuomintang's

sinister secret police boss General Tai-Li; the Shanghai drug-lord Tu Yueh-sheng, whose trade kept the Kuomintang supplied with guns; Japanese underworld figures Kodama and Sasakawa, Japanese Prime Minister Nobusuke Kishi (wartime minister of munitions, released without trial by the Allied authorities in 1948 and put in power with Black Eagle funds); and Kakuei Tanaka (a wartime industrialist, also put in power with Black Eagle funds, who became the center of the Lockheed bribery scandal). He also dealt closely with Wisner, Casey, Helliwell, Singlaub, Lansdale, Santa Romana, and Ferdinand Marcos. It is highly probable that Cline had contact with the Gambino drug family banker Michele Sindona, who began visiting Chiang Kai-shek in Taiwan in the 1960s.

In 1966, Cline clashed sharply with President Lyndon Johnson, who forced him out of his new job as CIA deputy director and exiled him to the US Embassy in Bonn. When Johnson decided not to run again, Cline returned in 1969 to become director of the State Department's Bureau of Intelligence and Research, where he was responsible for tracking the black money movements of President Marcos. In 1973, because of his still-close ties to Chiang Kai-shek's government in Taiwan, Cline again fought a US president, Richard Nixon, over rapprochement with China and was again forced out of government, to head the conservative Center for Strategic Studies at Georgetown. After the CIA was purged in 1977, Cline became a key player in the Enterprise, and a special advisor to President Reagan.

The peripatetic Cline was also one of the chief interlocks between British and American intelligence. As the liaison between the CIA and Britain's Joint Intelligence Committee, the Cabinet office which oversees priorities and standards for the three intelligence services (Secret Intelligence Service, Security Service, and Government Communications Headquarters), in 1953 Cline would play a major role in what historian Stephen Kinzer has described as the worst foreign-policy blunder America ever made: the joint CIA-MI6 coup d'état against Iran's

popular, democratically elected nationalist prime minister, Mohammed Mosaddegh.

1950s: THE SPECIAL RELATIONSHIP

Mark Lombardi never drew the "special relationship" between the CIA and MI6 in its entirety, although it is featured in drawings such as *Banca Nazionale del Lavoro, Reagan, Bush and the Arming of Iraq, 1979–90*. However, it is essential to understanding the history of the Black Eagle Trust, and in particular, how covert funding was driven in the lean postwar years.

Though the governments of Britain and the United States had their differences, from 1945 to 1953 their clandestine services were more or less united in a common fight for survival in which they alternately cooperated and competed for the same pool of secret funds. Although the British allowed American officers to observe the bureaucratic and operational workings of its intelligence system up to a point, some of those Americans felt that MI6 had cultivated a phony intimacy to penetrate the OSS so that its usefulness after the war would be impaired.[1] The alliance became a life raft the two forces somewhat grudgingly shared when the Cold War was semi-officially declared only five days after the official surrender of German forces in a report from the British Joint Planning Staff commissioned by Churchill advising the prime minister on the possibility of taking on Russia with a third world war. Fortunately, the Joint Chiefs of Staff rejected Churchill's report as unfeasible, but the debate salvaged the Special Operations Executive (SOE), the sabotage-and-resistance division of the British intelligence forces whose core activities of psychological warfare, assassinations, and stimulating insurgencies were considered not only illegal in peacetime but antithetical to MI6 and its overseer, the Foreign Office. The Special Operations Executive, the dirty-tricks division of MI6, was to become William Donovan's model for a highly secretive division within the newly forming CIA, the Office of Policy Coordination. In his epic struggle to build a centralized American intelligence agency against the express wishes of his chief executive, Democrat Harry Truman, the

Republican OSS founder and Wall Street lawyer "Wild Bill" Donovan learned much from the British, who used banking as an arm of their intelligence establishment.[2]

MI6 was highly and dangerously factionalized. It contained a powerful left-wing element in its Cambridge intellectuals whose ranks famously produced the Russian moles Kim Philby, Guy Burgess, and Donald Maclean, but many of the professional membership, described by a wartime entrant as "lunatic in their anti-communism," regarded the war against Hitler as a "dangerous interruption" of their real mission, the war against Britain's ally of necessity, Joseph Stalin.[3] Communism was in fact feared far more than fascism in the upper echelon of the Special Operations Executive (which, curiously, put both Burgess and Philby in key positions training sabotage agents during the war), and the Special Operations Executive had no qualms about recruiting not-so-former Nazis, Ustashi (Croatian Nazi collaborators who committed some of the worst wartime atrocities), and the worst elements of the criminal underworld in the fight against it.

Even the more colorful fringes of MI6 contained characters like Maj. F. C. "Boney" Fuller, a not-so-former member of Sir Oswald Mosley's British Union of Fascists. Fuller was a highly respected military strategist despite his status as Mosley's chief military advisor and Goebbels' British intelligence analyst, not to mention his friendship with the louche occultist Aleister Crowley.[4] He penetrated the Ukrainian émigré community in London in the mid-30s for German intelligence and after the war became an active recruiter in the same community on behalf of MI6 and the Foreign Office propaganda unit. The Foreign Office ultimately co-sponsored a June 1950 conference for the Ukrainians as well as any number of "murderous thugs, Nazi collaborators, and wanted war criminals who were working with MI6 on exile operations against the Soviet Union"—many of whom would make their way into the World Anti-Communist League.[5]

OPERATION GLADIO

Operation Gladio was a clandestine NATO operation designed to continue armed resistance in the event of a Soviet invasion and/or conquest that evolved from these "exile operations." It was a European-wide, originally British-sponsored network of secret, "stay-behind" terrorist groups and proto-fascist nationalist guerrilla armies such as the Croatian Ustashi and the pro-Nazi OUN/B of Ukraine, left in place in Europe at the end of World War II to keep the communists at bay.

It was also a peculiarly awful moment in the annals of Western democracy. The moment, which lasted some 10 years, marked when the nuclear arms race turned even Britain and America against each other—when the cant in wartime propaganda was nastily revealed in the warp speed at which fascist war criminals, former and otherwise, became the West's new allies against the Russians. It was a moment in which dogs lay down with fleas that, in the nature of fleas, turned around and bit their hosts. Two of the biggest and most virulent fleas, Michele Sindona and Ryoichi Sasakawa, would be introduced on the island fortress of Taiwan under the aegis of Generalissimo Chiang Kai-shek, who used drug money to support his Nationalist Army against the communists.

MI6 and the CIA joined forces (and funding) on Operation Gladio when it was recodified under the aegis of the Clandestine Co-ordinating Committee of the newly formed military arm of NATO in 1949. This secret substructure was financed, equipped, and trained by the CIA in coordination with MI6 to fight against the Soviet Union in the case of war. William Colby, a frequent "node" in Lombardi's work, coordinated with Gen. Lyman Lemnitzer, supreme commander of the NATO forces, from his desk at the Office of Policy Coordination, the sabotage and psychological warfare arm of the newly formed CIA.[1] Colby, who briefly practiced law in William Donovan's firm before the war, spent much of the 1950s in Rome with James Jesus Angleton, under cover as a State Department officer, where he led the agency's covert political campaign

supporting local Mafiosi who ran against left-wingers in their elections.

Lemnitzer was a brigadier general assigned to General Eisenhower's staff in June 1942 to help create the plans for the invasions of Sicily and North Africa. Promoted to major general in 1944, he became one of the senior officers who negotiated the terms of Italian fascist surrender during clandestine negotiations between Waffen SS Gen. Karl Wolff and soon-to-be CIA chief Allen Dulles in Switzerland in 1945. He would surface again as chairman of the Joint Chiefs of Staff during the Bay of Pigs operation and the early American involvement in Vietnam.

In the 1950s, Wild Bill Donovan became "our man" to British intelligence. It was, in many ways, a marriage of necessity. MI6, despite access to the old-boy banking network of the Special Operations Executive, fell far short of the funds needed to support full-scale operations among European anti-communist networks and had no choice but to cooperate with the CIA. Despite its never-fully-relinquished conviction that the Yanks were oversexed, overpaid, and over here, it had to cooperate with the Office of Policy Coordination, which suddenly and inexplicably came up with millions to spend. Donovan, by now working as a consultant to the State Department on a number of political warfare projects, also became the key figure involved with European unity front groups.[2] A knight of Malta (a distinction he shared with William Casey), Donovan was also involved with backstage Vatican politics. With William "Intrepid" Stephenson, the Canadian spymaster who became one of many models for Ian Fleming's James Bond, Donovan founded the British-American World Commerce Corporation, a secret-service front company which specialized in trading goods with developing countries. Formed in 1947 with financial backing from the Rockefellers, the World Commerce Corporation was a private-sector version of the Marshall Plan that dispensed foreign aid in the form of munitions and strategic materials, a cross between an import-export conglomerate and a commercially oriented spy network.[3] As seen in Mark Lombardi's five-part *Inner Sanctum* series, it would form one of the chief supports of the

world's shadow banking system.

With the pressure of the arms race and the tantalizing prospect of taking Britain's place as the leader of the democratic world, the newly created CIA learned quickest from the dirty-tricks division of the Special Operations Executive that the key to maintaining power in a contested region was counter-insurgency, i.e., penetrating and controlling local insurgencies with their agents and then subverting them. Special Operations Executive "Musketeer" Sir Julian Amery, who engineered the largely disastrous Albanian resistance movement in 1943–44 and a year later became Churchill's personal representative to Generalissimo Chiang Kai-shek, authored the strategy which was later adapted by the CIA's Ted Shackley into the playbook for the (largely disastrous) Iran-Iraq War of the 1980s.

While the world consumed the details of the Philby/Burgess/Maclean defections in 1951 with its morning newspapers, the real scandal percolated quietly in the background, in the struggles of the Special Operations Executive to preserve its existence—and, above all, its funding—in a peace which declared its activities illegal. Like most real scandals, it was a financial one. The cozy old-boy network of bankers, stockbrokers, and ex–naval officers like Ian Fleming (a former stockbroker) who formed the senior ranks of the Special Operations Executive were considered an invaluable financial asset despite its fascist leanings. Cherry-picked and absorbed by MI6 in 1945, they preserved the subversive division's financial structure and in fact became the administrators of MI6's reorganization. MI6 historian Stephen Dorril pointed out, "It remains an intriguing but largely unanswered question" how MI6 managed to fund its special operations during the period of great postwar austerity in which Parliament cut its budget to the bone. The more discernible efforts owe a great deal to the modus operandi of the Special Operations Executive and its bankers, particularly the large bribes and other corrupt subventions paid out to assets and agents in the Middle East, where oil was becoming a hotly contested resource between

the increasingly rivalrous British and American intelligence services (a topic that fascinated Mark Lombardi and which he covered extensively in his research).

Up until 1953, the intelligence agencies were starved of funds because their activities were considered by Britain's labor government and Harry Truman's Congress to be irrelevant if not illegal in peacetime. During these lean years, MI6 and the CIA, although from different nations, shared a pool of illicit funds over which they alternately collaborated and competed. Allegedly, with the help of the reorganized MI6's unorthodox banking structures, US intelligence plundered what Dorril calls "Operation SAFEHAVEN" funds, which appear to be synonymous with the Black Eagle Trust. Although the CIA has denied it, a knowledgeable insider suggested to Stephen Dorril that MI6 also used these funds, along with black-market operations, offshore banks, and tax havens of the kind that Lombardi documented.[4]

Another source of illicit funding was the Marshall Plan itself. The recipients of Marshall aid in war-ravaged Europe were required to make substantial repayment for repatriation to the United States. This pool of money, known as "counterpart funds," were administered by the US military high commissioner in Berlin, Gen. Lucius D. Clay, who, in addition to creating the Crusade for Freedom with Frank Wisner and Senator Herbert Lehman, also cooperated with Special Operations Executive officer Joseph Retinger on what came to be known as "the European project," the fortification of Europe against communism. Only a portion of the counterpart funds were forwarded to Washington. The rest were used to support covert action against the Soviets in Europe.[5]

The Special Operations Executive was heavily dominated by representatives of the supposedly conservative banking establishment such as Sir Charles Hambro, head of Hambros merchant bank. Hambro headed the wartime SOE until even Churchill sacked him for some of his more out-of-the-box ideas. Subsequently Hambro headed the blandly titled Combined Raw Materials Board, which played a secret role in

tracking and "allocating" Europe's scarce and vital uranium ores, largely away from the Americans who were rapidly becoming Britain's rivals in the race for nuclear weaponization. Control of the world banking system was the other nuclear option, and it is more than likely that MI6, far more sophisticated than its American counterpart at the time, knew about the existence of the Black Eagle hoard. A man of great foresight, Hambro left behind one of his key SOE organizers, John McCaffery, to serve as the Milan representative of Hambros Bank. This relationship is delineated in Mark Lombardi's epic series on Michele Sindona and Roberto Calvi, *Inner Sanctum: The Pope and His Bankers*, and in the third, damaged version of *BCCI*.

The Special Operations Executive was central in campaigning for the European Market (EM) as an anti-communist vehicle. So was the CIA's new dirty-tricks division, Frank Wisner's Office of Policy Coordination, a further iteration of the Directorate of Plans. The American Committee for a United Europe (ACUE), chaired by William "Wild Bill" Donovan and Allen Dulles of the OSS, covertly funded the European movement, which promoted both Christian values and liberal free-market economics and laid the foundations for the European Market. ACUE's creation in 1947 was closely followed by the creation of NATO in 1949. The majority of ACUE funds came from "State Department secret funds," i.e., the budget of the Office of Policy Coordination. Because of key personnel and a right-wing orientation, it is to be conjectured that at least some of Wisner's funding came from the Black Eagle Trust. "The man responsible for the funding programme was an anglophile and former senior OSS officer, Thomas W. Braden."[6] In 1950, CIA chief Allen Dulles consolidated European unity operations into the International Organizations Division under Braden, who funded the notorious penetration of the left-wing magazine *Encounter*, then moved into co-opting Abstract Expressionist art and onto the board of the Museum of Modern Art—which in 2000 would acquire a major position in Mark Lombardi's art.

In 1953, such improvisations became unnecessary, at least for the time being. The joint CIA-MI6 Iranian coup was viewed as a great success by both the British Foreign Office and the US State Department for protecting the interests of the West against the "communist" Prime Minister Mohammad Mosaddegh, whose affiliations with the Marxist Tudeh Party of Iran were ambiguous but who wanted to nationalize his country's oil wealth. It opened the floodgates of official funding for similar disruptive operations and thus made them self-perpetuating.[7] Following the success of the Mosaddegh coup, and with the coordination of Sir Charles Hambro, MI6 successfully reorganized its former SOE elements into a Special Political Action section whose tasks included the organization of "upheavals," clandestine radio stations, sabotage and espionage, publication of anti-communist newspapers and magazines, disruption and/or control of international conferences, influencing elections, and other activities previously deemed illegal in the postwar world.[8]

THE FRENCH CONNECTION

Britain may have had Sir Charles Hambro, not to mention the legitimate international banking system over which it retained a disproportionate control even after losing its colonies, but America had Lucky Luciano. Drafted into the war effort in order to obtain amnesty from a lengthy prison sentence, Luciano put his colleagues in the Sicilian Mafia to work in opening Mussolini's underbelly to the Allies and enabling the southern invasion of Italy through Sicily in 1943, a boon that created a lasting alliance. Criminology professor Alan Block asserts that this alliance of strange bedfellows marks a turning point in American political history, in which professional criminals began to ply their trade under new patronage, that of America's master spies.[1]

When the war ended, the OSS forged an alliance with the Italian Christian Democrats and put Mafiosi in political positions throughout Sicily and Italy. The new coalition became the nexus of a "post-war intelligence-mafia collaboration" that aggrandized "international drug traffickers for intelligence purposes."[2] It contained remnants of Mussolini's secret police force; the Italian far-right Masonic order Propaganda Due, also known as P-2; the Vatican's intelligence service; and the CIA under the umbrella of William Donovan's World Commerce Corporation (WCC).

Donovan formed WCC in 1947 with financial backing from the Rockefellers. It was a private-sector version of the Marshall Plan that dispensed foreign aid in the form of munitions and strategic materials, a cross between an import-export conglomerate and a commercially oriented spy network.[3] As visualized in Lombardi's five-part *Inner Sanctum* series, this new alliance would form a chief support of the world's evolving shadow banking system.

At the same time that the fledgling CIA was being established, the French Connection came into being. The Allies were heavily in Luciano's debt, a chit he didn't fail to call in to aid his syndicate and its affiliates in

their aspirations to control the international drug trade. For the CIA, its negotiating concession to Lucky Luciano had its potential advantages, for it was to develop into a totally unregulated alternative banking system capitalized by a commodity whose "repression" made it all the more valuable.

Although Operation Gladio's existence was first publicly revealed in the 1990s by then–Italian Prime Minister Giulio Andreotti, it too became part of the creation story of the French Connection in 1948, when the CIA and the Mafia cooperated with each other to crush the postwar labor movement on the all-important waterfront of Marseilles. As a result, Marseilles became the transit hub of Turkish heroin bound for the North American and European consumer, otherwise known as the French Connection. This collaboration became the beachhead of the globalization of the drug trade, and a fertile cell from which a metastasis of toxic funds could grow itself when Meyer Lansky and Lucky Luciano made Havana the hub of the internationalized drug traffic in the 1950s under US-installed dictator Fulgencio Batista's protection.

Although it would take the Vietnam War to turn it into a business plan, the early stories of the CIA and of the French Connection are in fact intimately related. Luciano's lawyers had won his immediate release from prison in 1946 on the basis of "wartime services" to the US Navy, which were described officially in exceedingly vague terms. The liberation of Sicily was certainly not mentioned, but the quid pro quo for opening up Mussolini's underbelly was very likely a free hand with the drug trade after the war. Though it was heavily indebted to communist resistance fighters who lost many lives fighting on America's behalf, from 1948 to 1950 the CIA allied with the Corsican underworld to fight the French Communist Party for control over the strategic Mediterranean port of Marseilles. This support enabled the Corsicans to win the waterfront and use it, for the next quarter-century, to export heroin to the US market.[4] After the CIA withdrew in the early 1950s, Marseilles' Corsicans won protection from the French secret service, the SDECE,

which was already actively collaborating with Southeast Asia's drug lords in the war against communism in French Indochina. In partnership with Italy's Mafia syndicates, the Corsicans smuggled heroin from Turkey and refined it into high grade for export.[5]

In 1957, the CIA acquired an unorthodox investment advisor when the Sicilian mafia authorized Michele Sindona, a rising young tax attorney and accountant, to move drug-generated money through the Italian secret service to right-wing powerbrokers in the Italian government, including P-2. Sindona started his career as a budding black marketer in World War II under the patronage of Vito Genovese, who, as part of the Lucky Luciano deal, worked for the US Army as an "interpreter" in 1943. Genovese's real function for the army was to liaise between the American and Sicilian Mafias. He granted the clever, ambitious young Sindona, who had grown up in Sicily in the direst poverty, permission to provide produce to certain Sicilian cities and introduced him both to the Mafia and to the OSS. In return, Sindona became an ardent anti-communist. After the war against Germany ended, both the Vatican and the CIA channeled funds for Italian goon squads to suppress striking communist workers in Milan through Michele Sindona's new accounting office, which also handled his other main account, the drug funds of the Gambino crime family.

Lucky Luciano and Vito Genovese made their postwar careers moving morphine base from the Middle East to Europe through a Lebanese middleman, Sami El Khoury, and exporting it to labs in Marseilles and Sicily. Luciano picked Meyer Lansky as his ally to supervise smuggling the product through the Caribbean to Florida, where Lansky allied himself with the Trafficantes, the Tampa-based crime family that became the American end of the French Connection. Although the terms of Luciano's release from prison in 1946 stipulated that he should permanently reside in Sicily, the gangster moved secretly to Cuba, where he could supervise the drug trade and plot to resume control of Mafia operations in the United States (see Lombardi's *Meyer Lansky's*

Financial Network, ca. 1960–1978). In partnership with Luciano, Lansky owned most Havana casinos, which the Trafficante family managed for him with the acquiescence of Batista, who profited nicely from kickbacks. The first full-scale meeting of American underworld leaders since Chicago 1932 was held at the Hotel Nacional in Havana on December 22, 1946. According to historian and author James S. Olson, the US government "essentially became a co-conspirator" in the arrangement because of Batista's strong opposition to communism, which, in the rhetoric of the Cold War, seemed to maintain business stability and a pro–United States posture on the island."[6] In fact, the profit motive was at least as powerful, if not more so, as Havana thus became the hub for international narcotics smuggling traffic, from even as far away as Burma.[7] This mutually beneficial business was shuttered when Castro came to power, which ultimately led to the massive development of JM/WAVE in Miami, the CIA's biggest station in the Western Hemisphere where all the operations against Cuba, including Mongoose, were incubated and coordinated. When Castro finally ran Batista out of Cuba on New Year's Day of 1959, the gangsters plotted with the CIA to remove the revolutionary leader and restore their business. But they quickly found a new locus for the internationalized drug trade in Vietnam.

THE OLD CHINA HANDS

At the same time that the French Connection was taking shape, in Southeast Asia the CIA ran a series of covert operations along the China border that catalyzed the creation of the Golden Triangle heroin complex in the area where Burma, Thailand, and Laos converge. In 1950, the agency rearmed remnants of the Chiang Kai-shek's Nationalist Army for an invasion of southwestern China and then maintained them along the Burma-China border as a tripwire against any communist Chinese invasion of Southeast Asia. Over the next decade, the Nationalist forces transformed Burma's northeast into the world's largest opium producer.

As CIA's Saigon station chief and then chief of its Far East Division, William Colby was privy to the drug trade that sustained it. Part of a clique known as the "old China hands" who became the stalwarts of the Enterprise, Colby, William Casey, Edward Lansdale, Ray Cline, Gen. John Singlaub, and banker/lawyer Paul Helliwell all began their intelligence careers in World War II and advanced rapidly during the Eisenhower years, when Nazi and Japanese gold was first used to set up black bag operations like the secret "M-fund" used to keep Japan's Liberal Democratic Party in power. The Seagraves wrote, "Their political views as Cold Warriors were shaped as they tried to rescue Generalissimo Chiang, put the Shah in power in Iran, sought to remove Sukarno and Castro, helped arrange the overthrow of Allende in Chile, and were given carte blanche to dispose of inconvenient civilians in Cambodia, Laos, and Vietnam." Most of these ideas were implemented if not conceived in close collaboration with the supposedly defunct Special Operations Executive, which Donovan studied extensively.[1]

Ever since 1949, the CIA, like the French SDECE before it, had allowed the rebel forces it supported in Asia to deal in illegal drugs to finance their operations. Mao Tse-tung's defeat of Chiang Kai-shek's Kuomintang in 1950 coincided with the height of the Red Scare in the United States The Nationalist forces, in disarray, fled to Taiwan (then

known as Formosa, “Beautiful”) or Burma. To keep this ragtag rearmed in hope of a future invasion of communist China, the CIA (with Prescott Bush’s advice) created a pair of front companies to supply and finance them. The first was Taiwan-based Civil Air Transport, later known as Air America. The second was Sea Supply Corporation, a versatile Bangkok shipping concern. Both not only ran supplies to Chiang Kai-shek’s Kuomintang but also ran Nationalist opium and heroin out of the Golden Triangle. Both companies were structured by Paul Helliwell, the CIA’s first master of illegally financing intelligence activity to avoid accountability.[2]

Banker/lawyer Paul Helliwell, the “personification of the CIA’s respectable, financial aspect of international drug trafficking,”[3] was a key old China hand, in many ways the lynchpin of the edifice that became the Enterprise. While serving as a US Army intelligence officer in the Middle East in World War II, he was drafted by William Donovan to head OSS special intelligence operations in China. In that advantageous position, he worked with Chiang Kai-shek’s intelligence chief, Gen. Tai Li, and through Tai Li with the notorious drug-smuggling Green Band in Shanghai. Under his direction, OSS officers deployed opium as a weapon of political warfare (another lesson learned from the Brits).

Helliwell, a specialist in private financing, joined a Miami law firm in 1947 and set up the business plan for Civil Air Transport (which was also used to transfer large deposits of Black Eagle gold) and Sea Supply. Helliwell imported large amounts of arms for the Kuomintang soldiers, ferrying them into Burma on Civil Air Transport planes that were then reloaded with drugs and flown from Burma to Taiwan, Saigon, and Bangkok, where the drugs were processed to benefit Chiang Kai-shek’s Nationalist Army and his warlord government on Taiwan.[4]

Key Capitol Hill lobbyist Tommy “The Cork” Corcoran, known for his extreme right-wing sympathies and his closeness to the Texas oil industry, was one of the original majority shareholders in Civil Air Transport. With Roosevelt’s backing, Corcoran set up a private

corporation to provide assistance to Chiang Kai-shek's government while it was still in China. On November 1, 1948, Corcoran signed a formal agreement with the CIA committing the agency to provide up to $500,000 to finance an airbase and $200,000 to fly agency personnel and equipment in and out of the mainland and to underwrite any shortfall that might result from any hazardous mission.[5]

Civil Air Transport was the legacy of an embittered renegade Air Force general, Texas-born Claire Lee (for Robert E.) Chennault, with whom Corcoran worked closely. Employed in the 1930s as an aviation advisor and trainer by Chiang Kai-shek in China, where he set up a volunteer air force known as the Flying Tigers, upon his return to active duty in World War II Chennault feuded constantly with the US commander in China, Joseph Stillwell, about the amount of Lend-Lease funds his rapacious former employer could blackmail out of the US government to build up his air force.[6] Thwarted in his ambitions to create a Chinese air force to attack Japan by Pearl Harbor and the intervention of other senior military officers disturbed by his nuttier messianic tendencies, the hard-bitten Chennault returned to China after the war and purchased several surplus military aircraft to create Civil Air Transport. In January 1945, Civil Air Transport relocated its base to the island of Formosa, where Chiang Kai-shek had established his new government and where the World Anti-Communist League was soon to take root. Chennault became a leading advocate of international support for Asian anti-communist movements like the World Anti-Communist League, divorced his first wife, and married Anna Chen, 32 years his junior and a reporter for China's Central News Agency who became one of the chief lobbyists for Chiang Kai-shek's Republic of China in Washington.

When Helliwell "retired" to Nassau in the early 1960s, he set up Castle Bank and Mercantile Bank & Trust, part of a worldwide network of CIA-affiliated banks which moved the hotter form of hot money outside normal banking circles for a select clientele of dictators, warlords, and CIA-complaisant Asian military officers. Both offshore

banks were subjects of Mark Lombardi's drawings. Castle Bank was also affiliated with Ryoichi Sasakawa, who, as we have seen, was one of the principal players in the Black Eagle Trust and also in the huge Lockheed bribery scandal, another early focus of Lombardi's attention.

In several early drawings (*Castle Bank and Trust, Nugan Hand*, and *World Finance Corporation*), Lombardi focused on Helliwell as a major interlock. It is unclear whether Lombardi knew that Helliwell was heavily involved in moving the first recoveries of Japanese war gold. A Houston source informed me that Helliwell's Civil Air Transport planes were retrofitted with reinforced cargo flooring to support the weight of secret shipments of gold to bank repositories all over the world, including the Bank of England and Citibank. When Castle Bank collapsed in 1973 under multiple IRS investigations (and Helliwell's heavy drinking), it was absorbed by another Helliwell creation, the Nugan Hand bank in Sydney, Australia, subject of another Lombardi series of drawings. When Nugan Hand in turn collapsed following the apparent suicide of its founder, Frank Nugan, in 1980, and the disappearance of his partner, Ted Shackley's Green Beret protégé Michael Hand, BCCI filled the vacuum. BCCI principal and head of Saudi intelligence Kamal Adham, it transpired, had his own man inside Nugan Hand since the early 1970s: retired CIA analyst Walter McDonald, an intimate of the Saudi royal family.[7]

The "old China hands" featured largely in anti-Castro activities and were responsible for their virulence. Lansdale cooked up Operation Mongoose, a plan to get rid of Castro that included economic warfare and psychological and paramilitary operations under the oversight of Lyman Lemnitzer. Lemnitzer approved Operation Northwoods in 1962, a proposed plan to discredit the Castro regime and create popular support for military action against Cuba by staging false flag acts of terrorism and creating a communist Cuban terror campaign in Miami, other parts of Florida, and Washington. Kennedy nixed his plans and denied him another term as Joint Chiefs of Staff chairman. Freshly relieved of his

duties, the stiff-backed West Pointer allegedly viewed commanding NATO as a comedown.[8]

Lansdale worked alongside Ted Shackley, chief of the CIA's Miami station, which took the lead in implementing Mongoose. Porter Goss, a young CIA officer at the time, also allegedly worked on Mongoose and alongside Shackley. Goss would go on to become director of the CIA, and then, as a politician, chairman of the House Permanent Committee on Intelligence. He would lead the Congressional enquiry into 9/11 with his political mentor Bob Graham (a former governor of Florida) and co-sponsor the USA Patriot Act. Graham himself, as we have seen, would turn around and question that enquiry in the campaign year of 2015.

Toward the end of the Cuban Missile Crisis, Bobby Kennedy ordered Lansdale to cease all "crackpot" planning that could cause bigger problems. In early 1963, President Kennedy terminated Mongoose, although the CIA, denied its opportunity to invade Cuba, persisted in planning paramilitary operations with Cuban exile groups.[9] The young president, among other things, was trying to curtail the CIA's drug-dealing activities.[10]

It is worth noting that Lombardi began his series of major drawings with Meyer Lansky's financial network, because Lansky, with Helliwell as his banker, was the lynchpin in the intelligence aspect of international drug smuggling. As Joseph Trento puts it, "The primary objective of Helliwell's operations in Florida was to cement the CIA's relationship with organized crime."[11] Helliwell's OSS network included Santos Trafficante Jr., son of the top Mafia don who was also connected with Lucky Luciano, Frank Costello, and Trafficante Sr.'s business partner Meyer Lansky, who all joined forces to organize gambling in Cuba under dictator Fulgencio Batista, who received a handsome share of their profits.

Trafficante and the CIA also had common business interests in China in the exportation of China white heroin, the most potent and the most deadly of drugs. When Castro put Batista out of business, the price of

Asian heroin soared, and by the early 1960s, Trafficante was the single biggest customer for the CIA-sponsored Asian warlords' heroin. Helliwell laundered the money through his Mercantile and Castle banks as well as providing organized crime with out-of-work CIA-trained Cuban refugees for their assignments.

An intimate of William Donovan's, Lansky was a "chameleon who compartmented his operations, bought political protection and established fronts. . . . Not even the McClellan Committee and Department of Justice under Bobby Kennedy could get to him."[12] To cover the cost of relocating the CIA's Havana station to Miami, Helliwell laundered Lansky's drug money for the CIA through his Bahamas-based banks, Castle Bank and Mercantile Bank & Trust. The ubiquitous World Commerce Corporation, the "commercially-oriented espionage net" formed by William Donovan and Canadian spymaster William ("Intrepid") Stephenson, functioned in a similar capacity in Panama for Lansky, World Commerce Corporation's sleeping partner.[13] The Kennedy administration incurred the CIA's wrath not only by aborting the Bay of Pigs operation, but also by attempting to curtail its drug-smuggling activities by shutting down its proprietary airlines in East Asia.[14]

William Casey, President Nixon's appointee as chief of the Securities Exchange Commission, Under-Secretary of State for Economic Affairs, and chairman of the Export-Import Bank, was also one of the original OSS "China hands." He worked for William Donovan's Wall Street law firm before the war and signed on immediately when Donovan became head of the OSS. Casey was John Singlaub's case officer during the war. Paul Helliwell, who would set up the CIA's covert banking channels in Vietnam, Australia, and the Bahamas, was Singlaub's direct superior. Casey was also close friends with the Dulles brothers, worked with Ray Cline, and worked with Edward Lansdale during Major Kojima's torture. This put Casey in a position to know a great deal about the Black Eagle Trust. One of the Seagraves' sources insists that Casey's financial skills

made him a key player, along with Paul Helliwell and Edwin Pauley, in implementing the trust under the direction of Robert B. Anderson and John McCloy. Following the war, Casey founded his own Wall Street law firm and set up a media holding company, Capital Cities, in 1954, during which time the CIA allegedly poured millions into setting up front companies for covert operations in broadcasting and publishing. Casey, who as Reagan's CIA director was instrumental in implementing the privatization of the intelligence agency, was still Cap Cities' biggest shareholder in 1985.

THE WORLD ANTI-COMMUNIST LEAGUE

The World Anti-Communist League, founded in 1966 in South Korea (where John Singlaub served as station chief and helped set up the dreaded Korean CIA), owed its creation to Sasakawa and Yoshio Kodama, the two yakuza responsible for laundering the Black Eagle gold out of its hiding places and into the world financial system. The South Korean and Taiwanese governments (the latter dominated by Chiang Kai-shek) and an organization called the Anti-Bolshevik Bloc of Nations (which had strong ties to Gladio) were also instrumental.[1] Sasakawa made his first fortune speculating in rice futures. The Rev. Sun Myung Moon, founder of the Moonie movement who aimed to take over the world by "Heavenly Deception," was also a founding member, along with Chiang Kai-shek himself.[2] Edward Lansdale, a pillar of the John Birch Society (founded in 1958), also became a pillar of the World Anti-Communist League along with the Birch Society. In the 1970s, the John Birch Society would finance expeditions led by Gen. John Singlaub to recover Black Eagle gold from the Philippines.

The ferocious anti-communist stance of Chiang's government in Taiwan, where Chiang set up his government-in-exile after his defeat by the Chinese Communist Party in 1946 and ruled with an iron fist for 30 years, made it an ideal base for the World Anti-Communist League. It was conceived as a meeting ground for conservative leaders from the United States, Europe, and Asia, but quickly became corrupted by the proximity of military and military-style dictators and the Black Eagle gold.

The League's stated goals were: "to urge all freedom-loving peoples of the world to defeat and frustrate communist aggression and subversive activities"; "to aid liberation movements of captive nations under communist rule"; "to develop political and psychological warfare methods to expose and counteract communism"; "to promote the exchange of cultural and informational material among freedom-loving

peoples to neutralize communist strategy and tactics"; and "to train anti-communist leaders to build a better world imbued with freedom and to overcome the communist menace."[3] Its unstated goals may have included the foundation of an alternative international banking system, backed by the reserve of Black Eagle gold. Its ranks grew to chapters in over 90 countries on six continents, and, although as its chroniclers Jon and Scott Anderson courteously remark, many of its members were perfectly respectable conservatives, they contained a noteworthy number of Nazi collaborators, fugitive European terrorists, and alleged death squad leaders from Central America.[4] The powerful conservative backers of the League—the Birchers, the Moonies, and the Hunt brothers of Texas, among others—would also become principal backers of the Enterprise.[5] The League was to become a clubhouse for the "old China hands" of the OSS, including Gen. John Singlaub, Lansdale, Ray Cline, and William Colby. Initial funding for the formation of the League is alleged to have come from the United States, notably through Lansdale's new boss, Frank Wisner's Office of Policy Coordination, and Taiwan's CIA station chief, Ray Cline.

Wisner was notorious as the Mad Hatter of the CIA, with a serious drinking problem and a tendency toward paranoia. He was diagnosed with severe manic depression in 1956 and institutionalized for two years. He returned to the CIA as London station chief in 1958 and continued working for the agency until 1962. Even Wisner's most outlandish notions for subversion, sabotage, and assassination, largely culled from Britain's SOE, were fascinating to Allen Dulles, who knew little about Asia and gave Wisner free rein in the region. Wisner in turn delegated authority to the "old China hands"—Singlaub, Cline, Colby, et al.[6]

As we have seen, the eccentric Wisner, who focused his inherent paranoia on fighting communists under every bed, funded his covert teams of Nazi war criminals in Europe by siphoning off funds from the Marshall Plan.[7] Wisner's access to Marshall funds came through Gen. Lucius Clay, former military high commissioner in Germany. In a

significant interlock, in 1949 Clay became president of the Crusade for Freedom, a group of wealthy individuals Wisner and his Office of Policy Coordination persuaded to back Allen Dulles's committee for assisting "political and intellectual leaders who fled Communist tyranny in Western Europe." Dulles and President Dwight D. Eisenhower were both directors, and the group's rhetoric became a keystone of the Cold War. The Eastern European émigré groups it supported, who contained some of the worst fascist war criminals, became charter members of the World Anti-Communist League.[8] As we have seen, the Crusade for Freedom also interlocked significantly with the oil dynasties of Texas and with their New York banking cohorts through Senator Herbert Lehman (son of one of the founders of Lehman Brothers, a partner in the company, and a Democratic Party finance chairman who served four terms as governor of New York).[9] The Crusade gave the oil tycoons, who profited immensely from Eisenhower's build-up of the military-industrial complex, an amplified voice in world affairs. It also interlocked with First International Bank in Houston, which was also to have a formative effect on Mark Lombardi's life and work. Through Radio Free Europe and Radio Liberty, the Crusade for Freedom became a conduit for laundered money to be sent to "freedom fighters" in Eastern Europe. As Russell Baker says in his Bush family biography, "This was a forebear of later CIA money-laundering operations, including Iran-contra, in which Poppy [George H. W.] Bush played a hidden but significant role. . . ."[10]

John K. Singlaub was recruited by the OSS in World War II, who parachuted him into Nazi-occupied France to help organize the French resistance. He became a national hero when he also parachuted onto Hainan Island and released hundreds of POWs from Japanese concentration camps. His next detail was China, where he worked with Cline, Helliwell, Richard Helms, and E. Howard Hunt. He joined the new CIA at its inception in 1947 and was sent to Manchuria during the Chinese Civil War. In 1951 he became deputy chief of the CIA station in South Korea (where Ted Shackley served) and helped set up the ferocious

Korean CIA. In 1964, Singlaub became chief of the innocuous-sounding Military Assistance Command Studies and Observation Group, an unconventional-warfare task force that allegedly oversaw assassination and paramilitary operations throughout Southeast Asia. Shackley, who in 1966 became CIA chief in Laos, reportedly took monthly meetings with Singlaub.[11]

In 1981, Singlaub organized the US chapter of the World Anti-Communist League, which was granted tax-exempt status by President Reagan. In 1985, he toured South Korea and Taiwan in order to procure money and weapons for the Contras and developed the "Rainbow Mission," a large military plan for the invasion of Nicaragua. In 1986, at the height of Iran/Contra (in which he was a chief exhibit), Singlaub became chairman of the World Anti-Communist League and served for two years. After Marcos was removed from power—also in 1986—with CIA approval, Singlaub came to Manila with two private military firms called Nippon Star and Phoenix Exploration to hunt for hidden Black Eagle gold, to which he attributed the Marcoses' $12 billion fortune.[12] At a Hong Kong conference in 1987, he signaled his intent to use the treasure to create a new private FBI and military-industrial complex controlled by the disaffected Praetorian Guard of the Pentagon and CIA in partnership with the John Birch Society, the Moonies, and far-right tycoons like the Hunt brothers.[13]

It required even more money than the coffers of the Black Eagle Trust could offer.

THE POPE AND HIS BANKERS

A sharp US recession from 1957 to 1961, also known as the Eisenhower recession, put the Bretton Woods new financial world order in jeopardy. By 1960, European members of the IMF were aware that they would soon hold dollars in excess of official US gold reserves. Washington blocked the obvious solution to devalue the dollar. Instead, in 1961 the United States joined the central banks of Europe, Great Britain, and Switzerland to form the London Gold Pool, managed by the Bank of England on the premise that their collective official reserves would give them enough leverage to keep the private market price for gold at the Bretton Woods peg of $35 an ounce. But by 1968, France had left the Gold Pool, the British pound had been devalued, and the private market for gold bubbled. In a last attempt to sustain the London Gold Pool, the US Air Force made emergency airlifts from Fort Knox to London in sufficient volume to collapse the weighing-floor in the Bank of England's vaults. It is worth noting that the events of 1968, which made the official dollar-gold price peg difficult if not impossible to sustain, also coincided with the first large-scale movement of the Black Eagle plunder into the world economy—assisted by the use of the brand-new financial instruments known as derivatives.

Derivatives, basically a form of commodities futures contract, have been around since Mesopotamian grain traders used them to lock in prices for future deliveries to Hellenistic Egypt. As German financial scholar Ernest Juerg Weber noted in 2008, not much is known about them because they leave no paper trail but rather trade in private agreements in over-the-counter markets; also because their real market value is difficult to conceptualize and therefore to record.[1] Former Fed governor Frederic S. Mishkin maintains that derivatives were essentially invented in the 1970s to hedge risk in increasingly unstable financial markets, but they were not unknown to major corporations after World War II, who used various forms of futures contracts to iron out the risk from currency

volatility to international trade contracts.[2] Ryoichi Sasakawa, the billionaire rice futures speculator who corralled the Black Eagle gold, would have been well aware of the opportunities created by that use.

In the 1970s, the financial markets owed at least some of their instability to Nixon's abandonment of the gold standard in 1971, but also, it is to be conjectured, to a rush of hot funds from the Black Eagle Trust into the marketplace using the new(ish) financial instrument of derivatives. In 1973, MIT scholars Robert C. Merton, Fischer Black, and Myron Scholes first published their eponymous mathematical modeling of a financial market containing derivative investments, leading to a boom in options trading and the scientific legitimization of the Chicago Board Options Exchange and other options markets around the world. Critics, Nassim "Black Swan" Taleb among them, argued that the Black-Scholes model merely recast already widely used models to make them more compatible with mainstream neoclassical economic theory, the stock-in-trade of the neocon policy bastion University of Chicago; and that the scholars had actually based their groundbreaking formula from one previously published in 1964 by James A. Boness.[3]

The interesting question is whether two less orthodox futures speculators, Ryoichi Sasakawa and Michele Sindona, beat all the scholars to the punch, prompting the aggrieved Sindona's plaint that he had been insufficiently recognized. Sindona told his biographer, Nick Tosches, that he habitually visited the island fortress of Taiwan and his friend Generalissimo Chiang Kai-shek, who had set up his government in exile there after abandoning mainland China to the communists. Presumably, Sindona's skill in laundering money through the adroit use of derivatives was highly useful to Chiang in dispersing the proceeds of the drug trade he used to support his Nationalist Army in Laos and Vietnam, as well as the financial expertise of old China hands Ray Cline and William Casey.

One of Mark Lombardi's favorite subjects was the six-version *The Pope and His Bankers*, which documents, among other things, how the newly created CIA, the Italian Mafia, and the Vatican bank commingled

their funding streams in a perverse act of financial blood-brotherhood by laundering them through the same channel. The central "node" or interlock in that series of drawings is "God's Banker" Michele Sindona, who laundered money simultaneously for the Gambino family's heroin profits, the Vatican's fugitive tax lire, and the Black Eagle funds parked clandestinely in the Vatican's vaults.

Just as in Japan, the Black Eagle gold found its way to postwar Italy, where the principal conduit was the Vatican bank, which had sheltered Japanese Emperor Hirohito's and Nazi assets during the war. The city-state of the Vatican was one of the 42 "countries" to which Ray Cline said Golden Lily bullion was shipped during 1945–47. Its bank also held several accounts in Santa Romana's various names.[4] One of MI6's quickest studies, an Anglophile senior CIA officer named James Jesus Angleton, was able to tap these funds, together with the treasure Mussolini had plundered from Ethiopia's desperately poor people and which was never returned, to finance pro-American, anti-communist candidates in Italy's 1948 elections.[5]

Angleton was the CIA's Vatican liaison. He had worked closely with MI6 in Rome in the 1940s, controlling damage from the exposure of the avenues of escape called "ratlines" the British spy agency worked with the Vatican to shelter their fascist collaborators. One of Angleton's chief contacts was the future Pope Paul VI, otherwise known as Giovanni Montini, at that time the archbishop of Milan.

As Mark Lombardi would discover to his eternal disillusionment, Pope Paul VI not only worked the Nazi ratlines while managing the Vatican's intelligence operations but directly assisted in installing highly placed Mafiosi in key political positions to extend US influence in Italy. He paved the way for Sindona to enter the Vatican Bank. Beatified in 2014 because of an alleged miracle attributed to his intercession, Montini was a highly compromised figure in more ways than one. The son of the founder of the Christian Democrat Party and head of the Vatican's "secretariat for international affairs," he and his homosexual lover, the

British sub-diplomat Hugh Montgomery, were instrumental in running the Vatican's side of the network for Nazi officials and war criminals escaping capture. MI6 and British Military Intelligence, who had been busy recruiting pro-fascist Eastern European nationalists, German quislings, and war crime suspects for their value in mounting anti-Soviet operations even as the war raged to its finale, created a secret organization in Rome for assisting "allied Escaped Prisoners of War." The British minister at the Vatican, Montgomery's boss, made Montini aware of it. In 1945, Montini's Refugee Bureau issued not only travel documents to these "stateless and displaced persons" but also regular Vatican state passports to a handful of important Nazis who disguised themselves as clerics.[6] Rumors also circulated at the US Federal Bureau of Narcotics that a secret file at its New York headquarters held explosive evidence that the Mafia was blackmailing the pope with information on drug-tainted funds at the Vatican Bank, evidence considered too sordid for even the FBI to handle.[7]

Montini also assisted Angleton in installing highly placed Mafiosi in key political positions to extend CIA influence in Italy. One of his Mafia links was financier Massimo Spado, whom Montini hired to invest the Vatican's money. Spado in turn hired an up-and-coming young tax attorney, none other than Michele Sindona, who had proved his usefulness by channeling funds for Italian goon squads to suppress striking communist workers through his accounting office.

Quite aside from his Mafia connections, Sindona was not your ordinary tax attorney. In 1960, the former Special Operations Executive officer and Gladio operative John McCaffery, who "stayed behind" as a banking official at Hambros' Milan branch, advised his parent bank (which, interestingly enough, had financed the second Italian war of independence in 1859) to acquire a 24 percent interest in the small but agile Banca Privata Finanzaria, controlled by Michele Sindona through a Lichtenstein subsidiary. A large proportion of Gladio's funding was channeled through Banca Privata. It was a unique financial entity, an

ordinary credit bank with a special government authorization that allowed it to act as a financial intermediary, i.e., an investment bank, throughout Italy. Sindona used it "to study the possibilities of founding a financial institution that would shortly give the IOR [Institute of Religious Works, the Vatican bank] a base in Italy's economic capital and allow it to pursue work as a financial intermediary."[8] In reality, Sindona would use it to launder the Vatican's riches away from the punitive tax authorities of Aldo Moro's left-wing government, and to perform similar functions for the Gambinos. Thus, in the nature of hot money, black funds began to pool, i.e., commingle with other, similarly channeled funds.

Shortly after Hambros acquired its position, Sindona found another partner. The new executive director of the seventh-largest commercial bank in the United States, David Kennedy, who would become Nixon's treasury secretary, ordered Continental Illinois National Bank and Trust to purchase a further 24.5 percent of Banca Privata. Kennedy would also facilitate Sindona's entry into the US banking system, thereby introducing the first big sub-prime crisis of the 1970s.[9]

As Sindona prospered, in 1964 he created Moneyrex, a foreign-exchange trader composed of over 800 client banks through which he simultaneously invested for Italy's "deep state": the ultra right-wing Masonic order P-2, the Vatican bank, and the Mafia. In collaboration with David Kennedy and Hambros Bank, Sindona would also channel covert CIA funds to finance the colonels' coup in Greece through Moneyrex.[10] Moneyrex became a cornerstone of the modern shadow banking system in its early stages by virtue of the sheer volume of the streams of funds it handled.

In 1962, Ted Shackley's old boss Bill Harvey arrived in Rome as the CIA's new station chief, shortly after Robert Kennedy fired him from Operation Mongoose for sending unauthorized terror teams into Cuba at the height of the missile crisis. Harvey's brief was to help the head of Italian military intelligence and security services subvert the government of Prime Minister Aldo Moro, a progressive leader of the Christian

Democrats who was later kidnapped and murdered, ostensibly by the Marxist-Leninist guerrilla organization known as the Red Brigade. These extremes were rationalized by US fears that Italy might withdraw from NATO under a Euro-communist government and the United States would then lose access to vital Mediterranean ports. The CIA's covert funding for these ventures was funneled through the Roman branch of Merrill Lynch, known as the "Catholic" money-management firm of Wall Street at the time, and operatives used it to make money on the side.[11] Michele Sindona was to find a magic money multiplier.

With Moneyrex, Sindona developed a deep knowledge of the international exchange system, and a particular expertise in the use of the exotic new financial instruments known as "derivatives," which were just coming into use at that time. His education was enhanced by visits to Taiwan, where he was warmly received by Generalissimo Chiang Kai-shek, whom Sindona identified in his memoir as a close friend and who made him an "economic consultant."[12] Presumably he was also acquainted with futures speculator Ryoichi Sasakawa, founder of the World Anti-Communist League in Taiwan, a crony of the "Gimo" (one of the Generalissimo's many nicknames) and an adept at laundering Black Eagle gold through the use of derivatives, particularly those related to futures contracts.

Though he was not above using real estate, construction, and even large-scale engineering projects to launder money and, at the same time, skim off legitimate tax benefits, Sindona gloated to his biographer, Nick Tosches, that these were the ways in which "little criminals" hid their money: Real players, like himself, took advantage of the fact that government agencies in America and Europe knew nothing about options or currencies or commodities or futures or forward contracts—"about how the international monetary system works!"[13] Vacillating between the need to conceal his ties and the need to brag about his genius, Sindona explained to his suitably impressed prison biographer Nick Tosches exactly how it works, in the service of the "most sophisticated and most

dangerous system of all." His 1986 primer is worth quoting at length post-2008, as it describes a fundamental corruption of the most basic form of derivative, the currency swap—the foundation of almost all hedging strategies today, when foreign exchange swaps alone, used by the world's biggest banks to reduce charges for market risk are estimated at $4 trillion daily:[14]

"To use this method, you must have knowledge of the international banking system and of the laws and regulations that govern the commodities and currency exchanges in various countries throughout the world. It is an extremely dangerous system—not for him who uses it, but for the economies of the world—because it allows for the laundering of immense, almost limitless sums of dirty money. . . .

"Now," [Sindona] continued, "you know that the Philadelphia Stock Exchange trades currency futures options on British pounds, Canadian dollars, German marks, Japanese yen, Swiss francs, and US dollars, and the Chicago Mercantile Exchange trades options on British pounds, German marks, and Swiss francs.

"Only about 5 percent of all options traded are executed on behalf of corporations wishing to hedge the currency risks of their international trade. The vast majority of the trading is purely speculative in nature, carried out by banks on behalf of their clients or themselves.

"In the international currency flow of some $60 trillion a year, it is extremely difficult to distinguish those transactions carried out simply to realize legal profits from those carried out to launder dirty money.

"So," he went on, "your dirty money has been deposited in Singapore or Hong Kong in the name of your ghost company. Now you buy, say, a yen option at 240 yen per dollar. The option gives you the right, but not the obligation, to buy 24 billion yen for $100 million six months from now. The premium for the option is $1 million.

"If during those six months, the yen falls to, say, 260 per dollar, you can buy the 24 billion yen in the spot market for $92 million, or you can sell the option contract. In either case, you make a profit of $7 million.

That is, $8 million less the $1 million premium.

"Your counterpart in the deal is officially the bank in Singapore or Hong Kong. But, in reality, that bank is acting only on behalf of the ghost company that deposited the dirty money with them. Your real counterpart is yourself. Therefore, the $7 million profit you earn is not recorded as the bank's loss, but as the loss of your anonymous share-bearer company.

"The deal has turned $7 million in hidden dirty money into a clean profit. You haven't even really lost the $1 million option premium, because it has been paid to the ghost company that was your counterparty in the deal—that is, to yourself. Your final profit from the transaction is reduced only by the commission you must pay the bank for the fiduciary transaction—here, about $20,000—and by the income tax you must pay to the American government.

"In practice, a man who is expert at this system might buy and sell the same option many times during the six-month period, according to the fluctuations of the market. In this way, he could launder many hundreds of millions of dollars in a relatively brief time.

"All right," he then said. "But what if, during those six months, the yen rises? What if it goes up to 220 per dollar?

"In this case, you lose only the cost of the premium, $1 million, and the $20,000 commission to the bank. But, again, that $1 million loss is not really a loss. It is offset by the $1 million in black profits earned by your ghost company as a premium for the option you have granted it. And, as you can deduct the $1 million 'loss' from your income, not only do you suffer no real losses, but you also, through this deduction, lower the tax you must pay on the laundered profits from other deals.

"In these days of floating exchange rates, there are often rapid fluctuations within a span of hours. Working prudently, a man who knows what he is doing can realize enormous profits without risk—profits that are not really profits, but dirty money made clean."[15]

SINDONA'S LECTURETTE (HE actually did speak at the Harvard school of

business in his heyday) goes a long way toward explaining what financial historian R. T. Naylor points out as a fundamental change in the world economy: systematic and growing discrepancies in the world's balance-of-payments deficits largely due to "asymmetries" created by the "stupendous growth in the amount of hot and homeless money ready at any time to leave its present abode for more hospitable climes whenever a tiny interest rate spread, exchange rate change, or shift in the political environment beckons."[16] It is a rich insight into exactly what the "four wise men" introduced into the world financial system under the negotiating table at Bretton Woods. Naylor is quick to point out that not all of this "ever-increasing percentage of international financial flows" is criminal, but he also points out a coincidence in the dramatic rise in the organizational skills of white collar criminals such as Sindona at exactly the same time. Sindona in fact wrote the primer on how "hot" money derived by criminal means can be piggybacked onto more legitimate "hot" speculative funds, in much the same way that metastatic cancer cells bond to healthy ones.

Sindona goes on to describe how using foreign-exchange spreads to launder money can also be done with commodities, the other pillar of most hedge fund strategies today. He complained, with some justice to Tosches, that Walter Wriston—head of Citibank, which also played a major role in laundering Black Eagle gold[17]—did the same thing that he did but was crowned with laurels. Poor Michele, who was not a member of "their" Mafia, went to jail instead. At the end of his self-aggrandizing diatribe, he suggests with a "wicked smile" to Tosches, who appears at times to be functioning more as his publicist than his biographer, that the US government should perhaps be questioning Ted Shackley's former boss William Colby about these practices. Colby, who helped set up the Gladio networks, facilitated the China white trade in Vietnam as Saigon station chief and head of the Far East Civil Operations and Rural Development and, after Nixon fired Richard Helms, became CIA director in 1973. According to Sindona's account, Colby was "privately

employed" by the Singapore government after Gerald Ford replaced him with George H. W. Bush. Subsequently, Singapore replaced Chicago as the world's leading commodities exchange.

With the same "dangerous method" Sindona would, in B-school parlance, vertically integrate the CIA's long-cherished dream of finding a means of financing operations without ever having to depend on Congressional approval and funding, with the Mafia's goal of infiltrating the mainstream economy with its profits "to consume important sectors of those economies and transform them into feudi [fiefdoms] of an international criminal oligarchy beyond the reach of the law"—in short, to criminalize the world financial system.[18] To what extent can only be suggested by economist Hernando de Soto's pioneering work on the shadow economy and a disquieting statistic generated—to very little fanfare—by the United Nations money-laundering watchdog, IMOLIN: in 2008, drug money was used to bail banks when no other liquidity was available.

THE BLOND GHOST, JM/WAVE, AND THE VIETNAM DRUG TRADE

Ironically, Michele Sindona would also finance the building of the Watergate complex in which President Nixon met his downfall. Nixon, oddly enough, was also connected to the old China hands, and to JM/WAVE, the CIA station in Miami. Embedded in the thick loam of conspiracy theories surrounding Watergate was one that would surface many years after Mark Lombardi's death in the work of historians like Charles Rappleye (*All-American Mafioso: The Johnny Rosselli Story*) and Lamar Waldron (*Watergate: The Hidden History: Nixon, the Mafia, and the CIA*) that Nixon had engineered the break-in to conceal evidence of his own early involvement in the CIA-Mafia plots to kill Castro. What is striking, and nightmarish, about Lombardi's work is that in tracking these complex networks around the globe, he comes back to the same tight circle of clandestine figures that hover in the background of the assassination of John Fitzgerald Kennedy. In a little-known corner of the Anglo-American "special relationship," MI6 served in an advisory capacity on Cuba, where Ray Cline was again to play a major role.[1]

Much of Lombardi's work can be understood through the career of one figure, Theodore "Ted" Shackley, head of the CIA's enormously influential Miami station during the Cuban Missile Crisis. Known as "the Blond Ghost" for his aversion to being photographed, Shackley would indeed become the ghost in Mark Lombardi's adult work, an unseen but controlling presence that haunts 16 out of the 25 major drawings in the artist's *catalogue raisonné*. Shackley, the only CIA official George H. W. Bush was said to fear, would help build the covert funding giant BCCI out of the bricks and mortar of the anti-Castro operations and their successors, the drug-funded insurgencies of Laos and Vietnam. He was to take the CIA's long-range plan for marrying business to undercover work and spin it off into a private, profit-oriented CIA, a major cog in the Enterprise.[2]

Like the 12-year-old Mark Lombardi, Ted Shackley was a devout Roman Catholic. He was also cocky, pugnacious, fond of the ladies, and too smart for his own good, but the resemblance ended there. Shackley grew up hardscrabble in West Palm Beach, Florida. His father was a first-generation English immigrant who abandoned his family and died in 1951 of alcoholism and related heart failure just as Shackley was called up for the Korean War. His childhood was far from idyllic: According to his armchair psychologist colleagues at the CIA, Shackley's devotion to the agency reflected his search for an alternative family.[3] He was already a gung-ho patriot in high school. Instead of finding the art department, he found the army. Three months after graduation, he enlisted. Because of his knowledge of Polish (gleaned from his maternal grandmother with whom he lived for most of his childhood), he was directed into counterintelligence and onto his path to becoming a spy in East Berlin.

Shackley was seconded to the CIA in 1947. Some of his former colleagues believed that his lack of an Ivy League rubber stamp disqualified him from ever achieving the agency's plum job, director for central intelligence, and left him with a lifelong grudge against the Yalies who ran the show.[4] It would possibly even ignite the fire that would lead him to set up a private CIA in the late 1970s, the cynosure of Mark Lombardi's adult investigations. Like his artist-doppelgänger, Shackley was not above putting out the odd bit of smoke. An ardent Cold Warrior, he claimed he was a protégé of James Jesus Angleton, the Jesuitical spook-of-spooks often credited with perpetuating if not inventing the Cold War. But Angleton told it differently; according to a series of interviews conducted by Pulitzer-nominated investigative journalist Joseph Trento between 1976 and 1986, Angleton was not a Shackley fan.[5]

The fatherless Shackley had a keen survivor's sense for cultivating mentors like Angleton and William Harvey, the CIA's East Berlin station chief, who perceived in his hard-boiled young protégé the kind of ruthless efficiency that could cover his own erratic modus operandi. But being Shackley's mentor came with risks: He was a killer in more ways than

one. In his later career at the Directorate of Operations, his name would be associated with "wet ops," meaning assassinations, but he was a corporate killer as well. He cultivated a relationship with Robert Kennedy and convinced him that it was he, not Bill Harvey, who had masterminded JM/WAVE'S operations. It was Shackley's relationship with Bobby Kennedy that would destroy Harvey's career during the Cuban Missile Crisis and make Shackley the most important young executive in the CIA.[6]

Shackley's great strength was that he didn't drink, in an agency where hard drinking went with the job. His bosses were weaker men. J. Edgar Hoover fired Bill Harvey for alcoholism. Harvey was then hired immediately by the CIA. CIA Far Eastern Division chief Desmond Fitzgerald, who took over as Shackley's mentor when Robert Kennedy sacked Harvey, was also known for abusing the bottle, as were most of his gregarious preppie peers. In fact, many of the big ideas of the CIA, in the heyday of Fitzgerald, Frank Wisner, and Tracy Bowles, were generated in long, boozy soirées of impassioned debate at the homes of Washington's journalist-doyens, the Alsop brothers. But, although Shackley could and did choke back an occasional belt with the boys as a team-building gesture, he had a visceral dislike for the stuff, honed by growing up with an alcoholic father whom he loathed.[7] It is difficult to imagine anyone he might dislike more than Mark Lombardi, the boozing, pothead, motor-mouthed art punk who would bird-dog his financial trail in later life.

Shackley arrived in Miami in 1962. His official remit as station chief of JM/WAVE, the CIA's biggest station outside of Washington, DC, was to clean up the damage done to the CIA by the Bay of Pigs disaster, the signature failure of John F. Kennedy's administration and the inception of all his problems with the CIA.[8] Enraged at the faulty intelligence that had prompted the ill-timed and unsupported landing of 1,300 CIA-trained Cuban irregulars who were crushed by Castro's superior troop strength on April 17, 1961, Kennedy fired both his director of national intelligence,

Allen Dulles, and his director of plans, Richard Bissell, and threatened to "break the CIA into a thousand pieces and scatter them to the winds."[9] To make his threat real, he transferred authority for covert operations from the CIA to the Department of Defense and took steps to ensure his own control over ground forces. Some historians have advanced the theory that Kennedy's rash promise, coupled with the Cubans' sense of betrayal when Kennedy bypassed them in order to negotiate an end to the Cuban Missile Crisis directly with Nikita Khrushchev, may have motivated his own assassination.[10]

After being stationed in Berlin in the 1950s, Shackley arrived in Miami in October 1962 with his boss and mentor, the erratic Bill Harvey. Shackley, whose unswerving ambition had already earned him a reputation for driving for results, became point man for Operation Mongoose, the US covert plan for eliminating Fidel Castro. According to some published sources to which Lombardi appears to have referred in his drawing *Meyer Lansky and His Network*, Lucky Luciano's partner Meyer Lansky favored knocking off Castro because the communist guerilla leader threatened his gambling interests and profitable brothels in Cuba. The CIA-Mafia network surrounding Mongoose included the Chicago Mafia's Las Vegas ambassador, Johnny Rosselli; the brutal Santos Trafficante, US interface for the French Connection that exported heroin from Marseilles to the streets of the United States; Trafficante's close associate Cuban banker-in-exile and Russian double-agent Guillermo Hernández-Cartaya; and CIA banker Paul Helliwell, the paymaster for the Bay of Pigs. This network would become the starting point of the artist Mark Lombardi's visual investigations of the secret funding mechanisms of the covert community.

Shackley had a nose for cultivating money, the source of power. He developed a predilection while in Berlin for waging economic warfare by recruiting East German businessmen and engineers en route to the Soviet Union. In Miami, he combined these two interests by acquiring banker and lawyer Paul Helliwell for his mentor collection. Helliwell, as we have

seen, "pioneered the art of illegally financing intelligence activity to avoid bureaucratic accountability by creating banks and businesses to cover CIA operations"[11] and was a major interlock in Lombardi's drawings. Sea Supply and Civil Air Transport (later part of Air America, Shackley's air transport system when he later served as Ventiane station chief in Laos), the proprietaries Helliwell set up through his Miami law firm, became the business models for future CIA operations, particularly during the Iran/Contra years. A very helpful fellow, Helliwell also provided portable heroin processing facilities in Laos. When he was transferred to Miami in 1960 to incorporate offshore banks in the Bahamas for CIA use, he also chartered Mercantile Bank & Trust Company and Castle Bank & Trust Company (subjects of a later Lombardi drawing) and two other CIA conduits used to reinsure businesses who cooperated as covers for the agency and might not be able to collect on traditional policy if something went wrong, as it frequently did.[12]

Helliwell's primary objective in Florida was to cement relations with organized crime, specifically with Santos Trafficante Jr., another connecting figure in Lombardi's drawings. As Trento puts it in his excellent book demonstrating how this unusual support system increasingly melded American business with undercover work, "Ever since the time of the Church Committee hearings in 1975, the CIA has successfully sold the idea that the only connection the Agency ever had with organized crime was in its vain attempts to assassinate Fidel Castro; but in reality the relationship between the CIA's Ivy League brotherhood and the international 'family' of criminals was much more extensive and complex," especially in Helliwell's relationship to Trafficante, which ensured that the gangster got all the help he needed in exporting China White heroin from Asia to the United States. As CIA banker, "Helliwell laundered organized crime drug money through his Mercantile and Castle banks, as well as providing organized crime with out-of-work, CIA-trained Cuban refugees for sales and enforcement assignments."[13]

Ted Shackley ran the CIA recruitment pool from which Helliwell drew his increasingly rapacious and lethal workforce. And Helliwell showed Shackley, in his role as CIA paymaster for JM/WAVE, the importance of income from agency business fronts.[14] It was a concept that Shackley would carry forward with him in his career, a career that in many ways embodies the CIA itself. He would use it to realize the CIA's long-cherished dream: to develop sources of funding independent of Congressional approval. His success would draw the scrutiny of a young artist, Mark Lombardi, who would stalk him without even knowing who he was until much later in his life, when his work culminated in the enormous *BCCI* series.

The artist was to say that everything he drew formed part of one large drawing. As we have seen, the damaged third-version of BCCI, which groups all the scandals he drew on timelines, was the closest he ever came to that drawing. Usually one figure in each of the existing drawings links it to the next. In the drawings *Chicago Network and Satellite Regimes* and *Meyer Lansky's Financial Network* (with which he began his epic *Narrative Structures* series), and his six-piece series on *World Finance Corp.*—the global conglomerate headed by Cuban banker Guillermo Hernández-Cartaya, whose business network spanned the CIA, the Mafia, Fidel Castro, the Colombian drug cartels, and the KGB—that figure is mobster Santos Trafficante Jr., head of the powerful Tampa-based crime family, which ran the US end of the French Connection heroin trade. Together with Hernández-Cartaya and CIA banker, lawyer, and general fixer Paul Helliwell, Trafficante would form the basis of a global banking syndicate that would launder drug money and finance covert wars all over the world. These figures formed the network that coalesced around Shackley during his pre-Vietnam tenure as chief of JM/WAVE in Miami.[15]

Guillermo Hernández-Cartaya, a Cuban banker who participated in the Bay of Pigs invasion, was the financial equivalent of Judith Exner (mistress to both gangster kingpin Sam Giancana and President John. F.

Kennedy). Although the CIA allegedly paid $50,000 to get Hernández-Cartaya out of a Cuban jail after he was captured during the Bay of Pigs debacle, Castro reportedly invested in World Finance Corp., the company Hernández-Cartaya formed subsequent to his imprisonment and which laundered Colombian drug revenues into offshore accounts. The promiscuous Hernández-Cartaya not only worked with Santos Trafficante Jr. but also with Narodny Bank, the Soviet funder of Russia's Cold War undercover agents.[16]

In addition to its other allies, World Finance Corp. profited immensely from a 1966 amendment to the Federal Reserve Act that permitted US national banks to invest directly in foreign banks. The amendment helped clear the way for the unprecedented laundering of drug money, and—as we shall see—for the covert funding of the Vietnam War. World Finance Corp. intrigued Lombardi more than any other subject except BCCI. He did seven treatments of it.

THE OLD CHINA WHITE HANDS

The two main threads of Lombardi's investigations—the Italian and American Mafias—come together in the lethal trade in China White, the most potent of heroin derivatives, used to support the war in Vietnam. In 1967, Michele Sindona, the hinge between Lombardi's two masterworks, *BCCI-ICIC-FAB* and *Inner Sanctum: The Pope and His Bankers*, which documents the rise of the Gladio banking system, was under international investigation by US Customs, Scotland Yard, and Italy's Ministry of Health for his part in moving depressant, stimulant, and hallucinogenic drugs between the United States, Italy, and other European countries.[1] One of Sindona's business partners, and another hugely important linking figure in Lombardi's work (moving from *Meyer Lansky's Financial Network* into *Castle Bank and Trust* and then into *Nugan Hand Bank of Sydney*) was Santos Trafficante, who took over his father's partnership with Lansky in 1954, just as the Americans were replacing the French in Indochina, and ultimately moved his interests from recovering his family's Cuban gambling dynasty to taking over the China White trade in the Golden Triangle. Behind Trafficante is the figure of the CIA's paymaster for the Bay of Pigs and architect of the offshore banks that laundered drug money for covert activities in Laos and in Vietnam, banker, legal fixer, and Republican lobbyist Paul Helliwell. Behind Helliwell, always at the arm's length of a cautious bureaucrat, is the figure of Ted Shackley.

In 1966, Shackley took command of the CIA station in Ventiane, Laos, under the aegis of Desmond Fitzgerald, who as chief of Robert Kennedy's Cuban Task Force had been tasked with Mongoose after Harvey's abrupt dismissal and succeeded him as Shackley's mentor. (Harvey's next posting, interestingly enough in the narrative of this story, was Rome, home of the Vatican bank and its Gambino consigliere, Michele Sindona.) Shackley didn't need his "father figures" emotionally but played them like a pack of cards to rise in the CIA bureaucracy. He

dropped Fitzgerald and replaced him with Richard Helms when Helms became director of the agency, just as he replaced Harvey with Fitzgerald when the latter became head of the Far East Division. After a new president, Lyndon Johnson, officially renounced the goal of eliminating Castro, Helms anointed Fitzgerald to head the Directorate of Plans, the dirty-tricks division of the CIA which handled (and still does) propaganda, economic warfare, sabotage, and subversion at home and abroad. But in the early spring of 1967, Fitzgerald, already feeling the heat of a war in Vietnam that was spinning out of control, came under redoubled pressure from an internal investigation into President Kennedy's death that linked a potential assassin with Santos Trafficante. Fitzgerald collapsed on the tennis court and died of a massive heart attack three weeks later.[2]

In the spring of 1966, Fitzgerald still had big plans in mind for Ted Shackley, plans motivated by the burning desire to redeem the ignominious defeat suffered by the CIA's skeleton forces at the Bay of Pigs. According to journalist Joseph Trento, who drew his information largely from retired high-ranking CIA officers for a book that came out five years after Lombardi's death in 2000:

> The role Fitzgerald had in mind for Shackley may have been the toughest assignment in CIA history. For the first time in history, the CIA planned to totally finance a secret war using illegal means. Ever since the earliest days under Allen Dulles and Frank Wisner, the Agency's covert operations cadre had dreamed of finding a means of financing operations without ever having to depend on Congressional approval and funding. But it was in Laos in the summer of 1966 that the "rogue elephant" was truly unleashed. Here Shackley and his colleagues found out how wars and covert operations could be bought and paid for with no Congressional authorization: the secret war in Laos would be funded by the opium poppy . . . For Shackley, Laos would be the

ultimate test in applying what he had learned from Helliwell's Miami operations.[3]

Paul Helliwell, whose two CIA front companies imported arms and flew drugs from Burma to Taiwan, Bangkok, and Saigon, put together the banking structure that enabled Santos Trafficante Jr., the single-biggest customer for the CIA-sponsored Asian warlords' heroin, to launder his profits worldwide. Mark Lombardi would map these connections in his drawings *Castle Bank and Trust* and *Frank Nugan, Michael Hand, and Nugan Hand Bank of Sydney, Australia, ca. 1972–1980*. Helliwell was immeasurably aided by the Federal Reserve Amendment of 1966, which opportunely allowed US banks to own banks abroad just in time for the accelerated war in Vietnam.

In 1968, Trafficante met Shackley's close ally, the Hmong general Vang Pao, in Saigon, purportedly to discuss the crisis in Mediterranean drug traffic as European governments attempted to shut down the French Connection. The viability of China White was seen as a new source of heroin for Mafia distributors in the United States.[4] According to Joel Bainerman in *The Crimes of a President*, at this point Shackley entered into the drug trade by way of Vang Pao, leader of the anti-communist forces in Laos and a major opium trader whom Shackley loaned CIA assets to crush competition and gain a monopoly in the heroin trade. In 1967, Bainerman says, Shackley helped Vang Pao arrange financing to build his own airline for drug shipment between Long Tien and Ventiane, and in 1968 arranged a meeting in Saigon between Vang Pao and Santos Trafficante, Meyer Lansky's close associate, to establish a heroin-smuggling connection to the United States.[5]

Until 1954, the French and the Americans had a tacit agreement in Southeast Asia that the French were allowed the rich opium revenues of Laos, its chief producer, in exchange for waging the First Indochina War. But when the French were ignominiously defeated at Dien Bien Phu in the spring of that year, it became the United States' adversary in a region-

wide struggle for hegemony that played out clandestinely in *la sale guerre*, the dirty underground drug war that the CIA opportunistically waged against the SDECE to starve it of this untraceable source of income. Trafficante proved to be a useful ally. In 1960, the CIA successfully staged a coup and put Gen. Phoumi Nosavan in power. French military advisors to the Laotian government departed en masse, and the CIA took control of the opium-growing hill tribes, principally the Hmong, whom the French had already organized into its secret anti-communist resistance army. In 1963, Laos withdrew from the UN's 1961 Single Convention, which required governments of opium-producing countries to "purchase and take physical possession of such crops as soon as possible" and to prevent illicit trafficking, and, under CIA direction, started mass-producing heroin to support the CIA's own secret army of Laotian hill men under the leadership of Vang Pao, the Hmong general. Vang Pao soon became Trafficante's business associate as well as Shackley's partner in fighting the North Vietnamese and the Pathet Lao.

Under what assumed the outline of a business plan when Desmond Fitzgerald took over as head of the CIA's Far East Division in 1963, after the Nationalist Chinese shipped opium across the border into Thailand, it was processed in large-scale heroin refineries managed by the CIA's longstanding ally, the Laotian Gen. Quane Rattikone. Rattikone, whose laboratory produced the "Double U-O Globe" that was flooding US Army camps in South Vietnam and sending thousands of veterans home as addicts, was to become a close personal friend of the new Ventiane station chief, Ted Shackley.[6]

In addition to mechanizing Rattikone's production line, the CIA supplied banking and transportation services through Air America's network of agile aircraft that landed rice in Hmong villages and carried their men away to battle or their opium to market. It was an open secret that Air America was flying drugs; in the 1960s, JFK had unsuccessfully tried to expel the airline from Laos.[7] It kept its contract, and retained its ties to Paul Helliwell, who became general counsel for the Thai consulate

in Miami as well as leader of Florida's Republican Party and a close friend of Nixon crony Bebe Rebozo. Helliwell invested mountains of Thai, Nationalist Chinese, and Vietnamese drug money through Castle Bank and into Florida real estate.

In his memoir, *Spymaster*, Shackley proudly presents an adorable picture of Rattikone tying a bracelet onto the wrist of Shackley's seven-year-old daughter Susan, who her father notes was cutely attracted by the grenades worn on the belts of Rattikone's bodyguard.[8] Thai national police chief Gen. Phao Siyanan, who controlled exports and local distribution, using the profits to pay off warlords like Vang Pao, became another Shackley ally.

Alfred McCoy, to whom Rattikone opened his opium ledgers and who enjoyed unprecedented access to other Southeast Asian drug sources to develop his PhD dissertation at Yale into what has become a classic text on the global drug trade, says, "unlike some intelligence agencies" (meaning the French SDECE), the CIA did not use the drug traffic to finance its covert operations, merely tolerated the "illicit traffic" of others. Joseph Trento, who has covered intelligence for 35 years, has a different view, based on extensive interviews with ex-CIA officers, which considers the inevitable and irresistible opportunity such a situation would present to the business brains of the agency, who were drawn in large part from Wall Street: "Perhaps the most significant skill developed in the early years was the development of a privatization model, whereby the CIA would create private business enterprises and use the proceeds from these operations to fund 'off-the-books' covert action. In Laos and Vietnam during the 1950s and 1960s, the Agency's 'rogue' elements took the private business to extremes while perfecting the ability to circumvent Congressional oversight."[9]

The "rogue elements" were those surrounding Shackley. In *Spymaster*, Shackley insisted, "I had never met Trafficante or had communication with him in any way, shape or form; nor to the best of my knowledge had anyone else in the (JM/WAVE) station."[10] But his close

friend and ally, Vang Pao, dealt directly with Trafficante.[11] And in Ventiane, and a couple of years later in Saigon, Shackley surrounded himself with the same gang of violently embittered Cuban "freedom fighters" recycled from Operation Mongoose who had turned to working directly for Trafficante when the CIA "abandoned" its fight against Castro.[12] Shackley imported his devoutly loyal lieutenant, David Morales, Johnny Rosselli's handler in Miami, with him to Laos in 1966 to liaise with Vang Pao, who financed operations against the Pathet Lao with the heroin trade. This band of brothers also included hit man Rafael "Chi Chi" Quintero as well as Frank Fiorini, who later changed his name and was arrested in 1972 under the moniker Frank Sturgis for breaking into the Watergate Hotel.

The "extremes" to which these rogue elements took the business plan handed down by their superiors probably reached their apogee in Operation Phoenix, the infamous "interrogation" program. Operation Phoenix resulted in the torture and assassination of between 20,000 and 40,000 people, depending on whether the US or the Vietnamese government is supplying the numbers. The Cubans became the core of Phoenix under the supervision of David Morales, Shackley's fanatically loyal lieutenant who was CIA base chief at Pakse, site of one of the worst massacres.[13]

Not by coincidence, Pakse was also the site of the biggest South Vietnamese opium-smuggling operation, and part of Morales's job was to facilitate the trade for the local Laotian and military commanders, in coordination with Air America, the reincarnation of Helliwell's Civil Air Transport on Shackley's watch.[14] When it erupted into militarized competition between the Burmese warlord Khun Sa, the Kuomintang generals, and Shackley's Laotian allies, Shackley informed the chief of the CIA support base in Thailand, who sent Air Force Maj. Richard Secord and a squadron of T-28s to bomb the Laotians to victory. Secord and Shackley became friends and colleagues. And Phoenix's assassination squads were turned on rival drug racketeers, who were

identified as Vietcong sympathizers.[15]

Shackley was always careful to maintain plausible deniability on the subject of the opium trade, but Trento, drawing his information directly from Shackley's paymaster William Corson and other CIA sources, is explicit about his role. "Working out of Ventiane, Shackley not only ran the Hmongs' war effort, he also played a major role in what the American ambassador euphemistically described to Congress as their 'economic development,'" in creating opium profits for the CIA that eventually totaled hundreds of millions of dollars.[16]

Shackley was not a well-liked man, particularly among his subordinates, whom he browbeat for results, and some of those interviewed by Trento are unusually blunt. "We were officially spending $27 mil a year on war in Laos while Shackley was there," said Victor Marchetti, at the time an up-and-coming CIA executive who became special assistant to CIA Director Richard Helms. "The war was costing ten times that amount. It was no secret how they were doing it: they financed it with drugs. They gave Shackley a medal for it."[17]

THE MODERN ENTERPRISE NETWORK

In 1966, Helliwell found an able understudy in one of Shackley's lieutenants, a Bronx-born Green Beret named Michael Hand who used Air America pilots to move Montagnard opium and money. Working with Shackley, his boss William Colby, and a Texan operative named Bernard Houghton, Hand then laundered the Montagnard proceeds through Helliwell's Royal Thai Military Bank in Bangkok, kicking back a percentage of the drug profits to the Thai officers who were cooperating with the CIA. Houghton and Hand became partners in establishing the Nugan Hand Bank in Sydney, Australia, the link between Paul Helliwell's Castle Bank & Trust and Mercantile Bank in the Bahamas, and the Bank of Credit and Commerce International, the "ur-scandal" which was to inform all of Mark Lombardi's work.[1] Lombardi also did several drawings of Nugan Hand Bank that connect to the World Finance Corporation series.

In Laos and Vietnam, Shackley built the partnerships that would become his private fiefdom within, and without, the CIA. Their operations would include the private intelligence service of the 1980 Reagan-Bush campaign, the Iran/Contra scandal, and the massive weapons buildup of both sides of the Iran-Iraq War—all subjects of Mark Lombardi drawings. Shackley would also take over the relationships with the Saudi royal family and intelligence forces that helped create Lombardi's favorite subject, the rogue megabank, BCCI.

Shackley's new cohorts included Thomas Clines, who had met Shackley in Germany in the 1950s and worked with him at JM/WAVE in Miami, and CIA asset Edwin Wilson, whose private business model and powerful Washington connections Shackley would eventually take over. They became Shackley's business partners in perfecting the fine art of funding off-the books covert action with the rich profits of the Laotian opium trade. Then–CIA Director Richard Helms, Shackley's longtime friend and ally, was another silent partner who kept Shackley's drug war

a "dirty little secret" in Washington, as did Shackley's boss, William Colby.[2] Other Vietnam colleagues included Gen. John Singlaub and Oliver North, of Iran/Contra fame. Singlaub, who vehemently denied taking part in Operation Phoenix, was then to join forces with Ray Cline, Ted Shackley, and Richard Helms to remove Carter from office following Carter's purge of the CIA in 1978. At the same time, Singlaub was also forced to resign his commission as chief of staff of the United Nations Command in South Korea after criticizing Carter's decision to draw down troop numbers.

With his stable of connections, it is not surprising that Shackley got a Hail Mary pass when eventually he was asked, though not very forcefully, to account for his activities both in 1973 and in 1976 in front of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities. Shackley's comments are a small masterpiece of equivocation: "The cultivation of poppy and the medicinal use of opium formed part of the economic and social fabric of the area I would be working in. The CIA inspector general, reporting in September 1972 on the drug situation in Southeast Asia, said that when the United States arrived in the region 'Opium was as much a part of the agricultural infrastructure of this area as was rice, one suitable for the hills, the other for the valleys.'"[3] Further, in his memoir, Shackley said: "Agreeing that we could not fight a war and simultaneously try to eradicate a centuries-old tribal habit of opium use, barter or sale, we settled on a packet of defensive measures that we hoped would insulate our activities from direct or indirect involvement in opium trafficking. In my initial get-acquainted visits to our key Laotian counterparts—Gen. Vang Pao in MR-2 and Gen. Phasouk in MR-4—I made it clear we could not tolerate opium trafficking or use by those forces supported by us. These officers accepted my position without demur. They pointed out, however, that I would have to obtain Gen. Qaune's [Rattikone] support for this policy."[4] Shackley neglects to mention whether he ever did.

The potential honey pot expanded exponentially, by accident or by

design, in 1971–72. As Nixon withdrew America's troops from Vietnam, he "inadvertently created a new market for Southeast Asian heroin by declaring war on drugs in Europe."[5] Through strong diplomatic pressure, Nixon forced Turkey to eradicate its opium fields and France to close its heroin laboratories, cutting the connection that had long supplied 80 percent of America's heroin. Ironically, however, Nixon's victory in Europe unleashed market forces that would soon expand drug trafficking on five continents. (Perhaps a little overeager to score his diplomatic victory in China, Nixon did not apply the same kind of pressure there, thus leaving the distribution network for Southeast Asia's Golden Triangle intact and supplying ammunition to cynics who accused his White House of manufacturing addict numbers to create a crisis, declaring war on the supposed heroin epidemic, and then manipulating figures on heroin prices to claim victory in time for the 1972 presidential elections.)[6] It was not a victory that would last very long.

The pattern of CIA protection for its drug lord allies was to be repeated with striking similarities in its Afghan operations of 1979–89 and 2001–02.[7] Since opium farmers needed credit and reliable markets for each new crop, any expansion of drug production had three requisites: finance, logistics, and, above all, protection. Thus the sudden growth of Burma's opium production in the 1950s required CIA air logistics, Thai military protection, and Taiwanese financial support. Similarly, the upsurge of opium production in Afghanistan during the 1980s would rely upon the logistical support of Pakistan's Inter-Service Intelligence, the protection of a CIA covert operation, and the services of Pakistani banks, notably BCCI. The CIA had found its way into the commodities business, drugs being more profitable than most other commodities because they are not susceptible to simple repression.

It is easy to suggest that the persistent political problems of Asia's opium zone—the Golden Triangle of Burma, Thailand, and Laos, and the Golden Crescent of Afghanistan, Pakistan, and Iran—have been somehow linked to their profitability, and the investment of the security forces in

same.[8] As Alfred McCoy, author of the classic work on the subject, eloquently puts it:

> Once the CIA secret war ended, its legacy persisted in rising narcotics production. American agents may have departed, but the covert war zone's market linkages and warlord power remained to make these regions major drug suppliers for years to come. Their battlegrounds became covert-war wastelands where only opium could flower, creating regions with lasting dependence on drug trafficking. Since these secret wars were fought outside conventional diplomacy, their resolution remained beyond the realm of international intercourse, denying these societies funds for postwar reconstruction and forcing them to expand opium production as a substitute. . . . A decade after the cold war's end (2001), the CIA's three main covert battlegrounds—Afghanistan, Burma and Laos—were in that order the world's three leading opium producers.[9]

THE BIG BANG

"In 1973, as the Watergate scandal roared through Washington, Richard Helms, the venerated CIA director who had protected and promoted Shackley for twenty years, was fired by President Nixon and 'banished' to the ambassador's mansion in Teheran. Teheran was not too shabby a substitute for Elba. It was considered the softest post in the CIA because of the sophisticated opulence of the lifestyle it afforded. It was also, along with Riyadh and Houston, one of the centers of oil intrigue, and Helms's embassy became the 'CIA within the CIA' for the next four years."[1]

Lombardi's *BCCI* "ur-drawing," particularly versions 3 and 4, is a graphic depiction of the big bang that started with Congressional investigations into the CIA's role in Watergate and James Schlesinger's publication of the secrets of *The Family Jewels*, i.e., the most compromising CIA operations in 1973, and climaxed in President Carter's and Adm. Stansfield Turner's purge in 1977. It sent cells of alienated CIA senior officers spinning out into the world's financial bloodstream to metastasize into private military firms, or PMFs. Lombardi's masterpiece begins with Richard Helms, CIA director from 1966 to 1972, and US ambassador to Iran from 1973 to 1977.

Richard Helms was not an old China hand. He was an old Gladio hand. As an OSS officer, Richard Helms served under Allen Dulles and Frank Wisner in Germany. When President Truman terminated the OSS in 1945, Helms became leader of the Office of Special Operations focused on Cold War espionage in Europe, which upon the formal institutionalization of the CIA in 1950 merged into the new and rapidly expanding Office of Policy Coordination under Wisner's direction. As Wisner's mental health deteriorated, Helms, as chief of operations, largely ran the Office of Policy Coordination. He then moved on to deputy director of CIA in 1962 and, finally, DCI under both Johnson and Nixon.

Under Helms's direction, James Jesus Angleton, as head of US counter-intelligence in the 1960s, would turn the CIA loose on American citizens in a domestic spying program that owed its substance to Ray

Cline's Political Warfare Academy in Taiwan. Independent of the FBI's similar COINTELPRO, Angleton's program spied on the correspondence of individuals and organizations targeted for dissent, and infiltrated radical organizations such as SDS when Mark Lombardi was a member. The CIA placed agents within those organizations specifically for false-flag operations and worked with campus administrators and security officials to identify antiwar activists. Under a new president, Nixon, in 1969 these domestic surveillance activities were consolidated into Operation Chaos, which anticipated the NSA in employing such methods as physical surveillance and electronic eavesdropping and spied on antiwar groups in foreign countries, eventually expanding to include domestic leftist or counter-cultural groups with no discernible connection to Vietnam. In 1973, when Chaos was finally closed amid the uproar of the Watergate break-in, it was discovered to have accumulated files on 7,200 Americans as well as a computer index of 300,000 Americans and approximately 1,000 groups. Its disclosure, along with that of COINTELPRO, led to Senator Frank Church's committee investigation into abuses committed by the American intelligence agencies and the FBI, and, eventually, to further revelations about the assassination of John F. Kennedy—and attracted the attention of a youthful would-be artist, an SDS member named Mark Lombardi.

Helms had mentored and protected Ted Shackley for more than 20 years, particularly in his activities in Vietnam. When Shackley returned to Langley from Vietnam in 1972, Helms made him director of the Western Hemisphere Division, tasked with assisting in the CIA's botched efforts to unseat Chile's freely elected but Marxist President Salvador Allende. Allende was problematic putatively because of his backing by Castro, but more because multinational corporations including International Telephone and Telegraph (ITT) feared control of such a large market by a left-wing president. Helms agreed to use funds supplied by those companies to help the right wing gain power, a funding trail Mark Lombardi subsequently drew.[2] When Allende discovered the CIA's

involvement with the extreme right-wing coup arranged behind the US ambassador's back, he publicly blew the cover of all CIA agents in Latin America. The spectacular failure brought Helms into conflict with President Nixon. Helms subsequently refused to cooperate with the White House in the Watergate cover-up and indeed directed a number of agency operations against it. Nixon sacked him in February 1973, and the "chaos which followed left a vacuum in which a keen bureaucratic infighter like Shackley thrived."[3] Allende died during fighting in the presidential palace on September 11, 1973, and was replaced by the far-right dictator Gen. Augusto Pinochet.

At this point, Helms feared a major Congressional investigation into CIA activities might lead to an examination of all the dirty tricks gone horribly wrong since its inception, largely under the auspices of his bailiwick, the Office of Policy Coordination. He and his cohorts successfully stonewalled Congress until ultimately William Colby divulged some details of Operation Phoenix to the Church and Pike committees, allegedly to save the agency from dissolution during a period of great Congressional strength but also possibly to protect his own patch of covert misdeeds. At the same time, Colby turned around and attacked counterintelligence chief James Jesus Angleton, who had brought the worldwide war against communism to a screeching halt by initiating a massive mole hunt for Soviet agents he feared had penetrated the CIA.

In 1975, George H. W. Bush replaced William Colby as head of the CIA on the advice of Henry Kissinger, who had been deeply involved in the Allende coup. Donald Rumsfeld replaced Secretary of Defense James Schlesinger. Colby's sacking of Angleton in 1974 allowed the Operations Directorate—a new title for the old wine of the Office of Policy Coordination—its first crack at a free hand in Middle East operations under its new chief, Ted Shackley. Bush, who served as chief of the US Liaison Office to the People's Republic of China before his brief tenure as head of the nation's spy agency, used his close personal and business

ties to the Saudi royal family to replace Angleton's "special relationship" with Israeli intelligence with an increasing reliance on the Saudis for regional information.

According to James Trento, the divisions sowed by Angleton's mole hunt compounded by the Congressional investigations prompted Helms and his most trusted operative (i.e., Ted Shackley) to begin working outside of Congressional, Presidential, and even agency purview. The director of Saudi Intelligence, a courtly American creation named Kamal Adham, and his boss, HRH Prince Turki bin Faisal al-Saud, were approached by an American ombudsman to put together a worldwide spy network designed to supersede the official CIA while it remained under Congressional scrutiny between the time of Watergate and the end of the Carter administration. This ombudsman was none other than Robert B. Anderson's protégé Clark Clifford, now one of the most respected and puissant of Washington powerbrokers.[4] What became known as the Safari Club, according to Prince Turki, who revealed the existence of the private network for the first time in a 2002 speech at Georgetown University, consisted of a group of communist-fighting countries that included France, Egypt, Morocco, and Iran, but most prominently Saudi Arabia, a charter member of the World Anti-Communist League. Covert funding for the agency, generously provided by the Saudi royal family, was to be channeled through a swarm of Saudi banking and charity enterprises, directed from overseas by "top U.S. military and intelligence officials," notably Richard Helms from his new eyrie in the US embassy in Teheran. Much of it ran through a series of covert accounts at Riggs Bank in Washington, the subject of another Lombardi drawing.[5] When, in 1976, the CIA needed a cash transfusion, Adham allowed Nugan Hand to open a branch in Saudi Arabia.[6]

Providentially, the turmoil at the CIA coincided with large-scale treasure-hunting by Philippine dictator Ferdinand Marcos, who had stuffed the World Anti-Communist League with his cronies.[7] Marcos' circle included Col. Joseph McMicking, Lansdale's superior officer, who

became mysteriously wealthy following the torture of Major Kojima. He used that wealth to become a global real-estate financier and to found one of the first venture capital firms for Silicon Valley.[8] McMicking's in-law, billionaire Enrique Zobel, masterminded the financial pipeline for salting both the Marcoses' and the CIA's illicit profits from Black Eagle enterprises in America: According to *The Economist*, the Zobels are now one of the world's most enduring political/financial dynasties, "having made use of all the tools of sensible family government."[9] An agency profile concluded in 1969 that the Marcoses had by that time already stolen several hundred million dollars: a 1976 study determined Imelda Marcos had taken over a portfolio of four dozen companies worth at least $150 million.[10] Though the agency kept tabs on the Marcoses, its benign neglect of their voraciousness was possibly due to the fact that elements within it needed the greedy couple's cooperation to access at least some of the Golden Lily treasure still sequestered in the Philippines.

As Congress cut off the CIA's blood supply of funding, Marcos, who had a longstanding relationship with Severino Santa Romana, pressured him to turn over some title to hundreds of bullion accounts in banks all over the world. As gatekeeper to the recoveries of Yamashita's gold, Santa Romana maintained a scrim of aliases on behalf of the CIA and the US Treasury Department and acted as controller and sole shareholder of a host of shell companies set up to hide the movement of gold from Manila to world banking centers. The corporate logo for his flagship, DNP Enterprises (in fact a CIA proprietary), was an umbrella that also served as the codename he used to move the gold. By the late 1970s, the umbrella organization it signified had grown into a vast network of CIA agents, Mafia godfathers, Filipino secret police, and Marcos hitmen that merged with the network created between 1947 and 1977 by the CIA itself. One of its Mafia godfathers was Meyer Lansky, who ran casinos on Grand Bahamas Island and Nassau for Wallace Groves, an ex-convict partnered with the Wall Street firm of Herb and Charlie Allen, who controlled Paramount Pictures in which Michele Sindona had a lucrative

share.[11] Santa Romana's Umbrella in fact served as a conduit for Paul Helliwell's banking network, and, just as Helliwell's Nugan Hand became the prototype for BCCI, the Umbrella became the prototype for the Enterprise.

In 1973, Marcos increased the pressure on Santa Romana to reveal his accounts by none too subtly forcing him to sign a last will and testament. Lansdale, Helliwell, Cline, and others of the disaffected old guard, which of course included Shackley, invited him to Washington to contribute to the founding of the Enterprise. What they wanted from Santa Romana was access to some of the black bullion in his accounts. Suffering from fear, guilt, and the effects of a lifetime of heavy drinking, Santa Romana fled back to Manila where, in a hospital following a collapse, he wrote out a new will giving his family custody of his active bank accounts at HSBC and Citibank Manila. He died at home in his daughter's care 12 days later. The official cause was cirrhosis of the liver. Lansdale immediately managed to supersede the will and move all of Santa Romana's gold bullion out of Citibank Manila to Citibank's main office in New York City. Another account at US Geneva, said to hold 20,000 metric tons of gold, was changed to list Lansdale as the holder of record, but the real beneficiaries appeared to be the new Enterprise and its powerful conservative backers, including the John Birch Society and the World Anti-Communist League. How Lansdale used those accounts is unknown, but John Singlaub's vision of a privatized FBI and military-industrial complex was already in the making.[12]

THE HALLOWEEN MASSACRE AND THE REVOLT OF THE PRAETORIAN GUARD

"When Carter got rid of so many professional soldiers and spooks, he does not appear to have given much though as to what they might do to keep busy in private life. No Roman emperor would have been so careless in disbanding a legion."[1]

In November 1976 a new president, Jimmy Carter, who had campaigned against "the rogue CIA," asked George H. W. Bush to tender his resignation at their first briefing session. Carter's new DCI, Adm. Stansfield Turner, took a broom to Bush's old-boy network, which he and Carter accurately held accountable for the scandals of the Family Jewels. As one of his first and last actions, Bush had appointed Ted Shackley deputy director of covert operations, successor to Wisner's Directorate of Plans and the very division in which Turner began his housecleaning. Turner reassigned Shackley and his nominal superior William Wells to what he fondly hoped were meaningless jobs. At the same time, he endeavored to distance the CIA from the Israeli intelligence sources with whom James Jesus Angleton had replaced its Arabists in order to satisfy Carter's concerns about the Arabs getting a fairer shake in the Middle East peace process, giving Shackley an opportunity to win Mossad over to his cause. In August 1977, Turner ordered that the Directorate of Operations be stripped of 823 positions inside of two years. The cables firing 823 veteran case officers went out on Halloween of that year, causing the agency to christen the event the Halloween Massacre. Operating on the assumption that Carter was not their commander-in-chief but only a "temporary caretaker of the political system," Shackley and his cohorts began plotting his removal from power, a plot that would climax almost exactly three years later in the October Surprise that put Ronald Reagan in the Oval Office, aided by the campaigning of William Casey, John Singlaub, and Edward Lansdale.[2]

Attempts to clean up the Directorate of Operations backfired badly. In

the two years left to him, Shackley led its reorganization into a private-sector underground where it could operate completely without peer review and continue to make free use of government assets through the successors to Civil Air Transport. Under Presidents Reagan and Bush, privatized intelligence and military organizations were to multiply and become a "virtual private extension of the White House." According to the Seagraves, "To this day, leaders of The Enterprise and advocates of PMFs [private military firms] insist that the White House needs a private clandestine service run by experienced intelligence officers turned entrepreneurs"; however, their true goal is to use recovered Japanese war loot to set up a private FBI-style security force to patrol the American public, as well as a private military industrial complex "controlled by us."[3]

THE STATE-WITHIN-A-STATE

By the time Mark Lombardi landed in Texas in 1974, "controlled by us" increasingly meant controlled by Texas. Political events such as the Watergate Congressional investigations and the 1973 Arab oil embargo combined with financial ones such as the Bank Holding Act of 1970 and the 1972 opening of the first financial futures exchange, and the license it gave to rampant speculators all contributed to the founding of a state-within-a-state, and one by no means compatible with the founding principals of its host nation. Saudi petrodollars, the fortunes of extreme right-wing tycoons who bore no allegiance to a presidency that had repeatedly denied them their God-given oil depletion allowance, Mafia speculators, Ted Shackley's privatized CIA, and clandestine shipments of Black Eagle gold were all to mesh into a private banking system for covert operations, largely centered in Houston and not only outside the oversight of the elected government but in many ways increasingly hostile to it.

In 1973–74, the years of Watergate and the ensuing Congressional investigations, funding for the CIA was essentially frozen and, as the Seagraves put it, the hard right in American intelligence was driven into a private-sector underground by the end of the decade.[1] They were, coincidentally, two years of seismic disruption in the almighty American banking system at home and abroad, which afforded unique opportunities for mergers and acquisitions, hostile and otherwise, in the shadow-banking world. The year 1973 also saw the founding of the Bank of Credit and Commerce International, the "full service bank" George H. W. Bush midwifed for the CIA while William Colby was acting director. BCCI, which was to attack weakened banks in search of takeover targets in the United States, commingled black funds with start-up money from A. P. Giannini's Bank of America and in fact magnanimously styled itself a "Bank of America for the Third World." It also cannibalized the assets of the CIA's failed Vietnam drug laundry, Nugan Hand Bank of Sydney.

Much of the black funding for BCCI came from the coffers of the Saudi royal family and was earmarked for covert operations worldwide, outside of Congressional oversight. First International Bancshares of Houston, which married oil and intelligence interests intimately related to those of the Bass, Hunt, and Murchison oil dynasties, which George H. W. Bush was to make his first posting after leaving the CIA in 1977, and which was to have a profound impact on Lombardi's life, was believed to be a conduit through its London affiliate, where Bush also served as a board director.[2]

Texas was fertile soil in which to grow a private-sector underground that could specialize in intelligence-related finance, already a feature of the oil business. Banking had boomed in Houston, thanks to the Bank Holding Act of 1970 that enabled banks to form holding companies that could own other banks. The giant holding companies thus conceived could be used to absorb floods of cash from the flush oil companies who invested in them. Real estate, commercial and residential, boomed along with the banks. First International Bancshares, where George H. W. Bush was to land in 1977 after his ouster from the CIA, became the second-largest bank in the Southwest, custodian of the pipelines of oil credit just as the Arabs were custodians of its physical pipelines.

First International's chief executives, Dewey Presley and Robert Stewart, set out to connect the banking fiefdoms of Dallas and Houston by acquiring their biggest banks, only to be told by the Fed and the Justice Department, whose approval they needed even under the Holding Act, that they were to limit their acquisitions to smaller banks in the interests of competition. As First International went on to acquire banks in Abilene, El Paso, Harlingen, Odessa, Denison, Temple, Bellaire, and Irving as well as three more in Dallas, Presley and Stuart worried that the Fed's decisions were preventing them from competing nationally. Despite their increasing interest in influencing legislation, the interstate restrictions of the Bank Holding Company Act were not to be repealed until 1994. In 1999, the Gramm-Leach-Bliley Act passed by President

Bill Clinton rescinded further restrictions on bank holding companies owning other financial institutions, a Ponzification-enabler that factored largely in the financial meltdown of 2008.

The big oil companies had only grudgingly resigned themselves to losing their battle with elected officialdom over the oil depletion allowance. Under financial advisement, they decided to use some of their heavy cash positions to pick up large companies whose recession-battered shares were selling at such bargain-basement prices that they could be purchased advantageously if a buyer was looking for fundamental value, earnings stability, and cash flow instead of market action. Real-estate-related companies and trusts, their share prices bled by rising interest rates, were just such an investment, and the rotation of hot money from the oil companies into the banks and out again was to metastasize into the savings-and-loan crises of the 1970s, 1980s, and 1990s. These interlocks were to find their way into the work of Mark Lombardi, in such drawings as *Neil Bush/Silverado: Verso, Lincoln*, and his Charles Keating/Lincoln Savings series. As we have seen, they would even find their way into his own life, in the person of Ed Baker, a successful wildcatter who, in 1974, plowed his oil fortune into founding Vanguard Groups International. Vanguard (not to be confused with the mutual fund investment group) was to become one of the decade's fastest-growing investment companies in the United States, with a portfolio that specialized in real estate, securities, and highly leveraged limited-partnership tax shelters "primarily" for the production and sale of oil and gas.[3]

Carlos Marcello, godfather of America's oldest and most ruthless crime family and, with the Trafficantes, the CIA's partner in the assassination programs aimed at Fidel Castro, was another major investor in Texas real estate. Marcello had a reputation for brutality but was also a shrewd businessman, always on the lookout for a chance to advance the Mafia syndicate's goal of legitimatizing, and thereby expanding, its portfolio. According to British journalist Anthony Summers, he was also in business with Texas oil king Clint Murchison. No less than two Senate

investigating committees and nine federal agencies probed Murchison enterprises between 1955 and 1965 and eventually discovered that Vito Genovese owned 20 percent of the Murchison Oil Lease Company. Handridge Oil, a Murchison-owned outfit that never seemed to turn a profit, was the subject of a deal with Las Vegas gamblers involving massive security violations, and Murchison's son, Clint Jr., established financial ties with Carlos Marcello.[4]

The 1973 OPEC oil embargo created high oil prices, long-term disruptions in supply, and, ultimately, a devastating recession in a Western economy already vitiated by a series of bubbles followed by the stock market crash of 1973–74. Additionally, it created a rift in NATO, and between the United States and other allies who sought to dissociate themselves from US policy in the Middle East. But Texas—and the Saudis—prospered immeasurably due to OPEC's 1974 agreement to lift the embargo for the price of an oil fix at a high, preferential rate that would allow the cartel to manipulate supply and demand.

The depreciation of the dollar had begun two years earlier with Nixon's decision to abandon the gold standard, which caused a severe inconvenience to oil producers. The United States was able to ensure itself against fluctuation in the new, floating currency by increasing its reserves and printing more paper money than ever before, causing the dollar to depreciate in value and fuelling a sharp rise in inflation. Because oil was and is priced in dollars, this meant that oil producers received far less real income, an underreported determining factor in the decision of the OPEC cartel, in which Texas might be now be unofficially included along with Saudi Arabia, Iran, Libya, Iraq, Abu Dhabi, Kuwait, and Qatar, to declare an embargo in October of 1973 on the pretext of retaliating against American Congressional support for Israel in the Yom Kippur War. The price of oil immediately rose substantially, from $3 a barrel to $12 a barrel, and the world financial system, already buckling under pressure from the breakdown of the Bretton Woods agreement, was set on a course of crippling recessions and high inflation that persisted through

the early 1980s, with oil prices continuing to rocket upward until 1986.

No matter the pain for the rest of the country, keeping oil prices high indefinitely was an industry goal the Bass, Murchison, and Hunt oil families—sometimes referred to as the "shadow government of Texas"—shared with the OPEC oil producers, notably the Saudis, who had moved into the fabulous River Oaks enclave in Houston where the Texas oil dynasties had built their Taras and who sent their own representatives—some of them elected US officials—to Washington.

According to professor Peter Dale Scott, two secret deals between the United States and the Saudis were cut in the 1970s to assure that the golden goose of the US economy would not be killed by OPEC oil price hikes. In 1974, a new treasury secretary, William Simon, negotiated a secret deal enabling the Saudi central bank to buy US Treasuries outside the normal auction. Simon, who later became a director at Halliburton and would be implicated in the Iran/Contra scandal, became a leveraged buyout privateer in the 1980s. The second deal, cut a few years later by Simon's successor, Michael Blumenthal, as the Iranian revolution came to a boil in 1979, assured the Saudis' continued support of OPEC oil pricing in US dollars. The deals were kept secret because they represented unilateral dealing on the part of the United States against all other economies that had to pay dollars for oil but could not print their own currency—truly making the dollar, in John Connally's felicitous phrase, "their problem."[5] They also greatly increased US dependency on the Saudis, a financial dependency which was also reflected in intelligence operations. Blumenthal, interestingly enough, left the Treasury to become CEO of Burroughs, which built the background switching system for the Society for Worldwide Financial Telecommunication, otherwise known as SWIFT, the blunt instrument for enforcing sanctions against Iran.

The two-decades-long American savings-and-loan crisis was ushered in by the collapse of Michele Sindona's international empire. "*Il crack Sindona*," as the Italian tabloids snappily titled the event, occurred in

1974 when the venerable Franklin National Bank on Long Island, which Sindona secretly owned, blew up and revealed the vast tangle of his empire's underground roots.

Even on the surface of his more legitimate activities, Sindona's reach was now mindboggling. Through his Lichtenstein holding company, the master criminal—or financial genius, depending on one's point of view—controlled at least five banks and more than 125 corporations in 11 countries. His North American real-estate interests alone included the Montreal Stock Exchange Building, Paramount Studios in Hollywood, and the infamous Watergate complex where President Nixon, perhaps not entirely by coincidence, met his political doom. His partners and clients included David Kennedy's Continental Illinois Bank, Gulf and Western, Hambros Bank of London, the Banque de Paris et des Pays-Bas, Nestlé, and the Vatican bank, a.k.a. Istituto per le Opere di Religione.

As Sindona's biographer Nick Tosches breathlessly notes, by 1973 Sindona "had literally lost count of his wealth." Laundering the Vatican treasure out of Italy gave him almost $800 million to work with in 1968, or approximately $3.8 billion in today's terms, which he was able to multiply using his fluent understanding of the Ponzi potential in derivatives.

The channel for this flood of hot money was Moneyrex, and the new and little-understood medium of derivatives provided the perfect Trojan horse for Sindona, Sasakawa, et al. to penetrate the machinery of world banking.

Rampant speculators like Sindona were encouraged by the relaxation of regulatory standards to allow the S&Ls, which had largely financed the explosion of suburban communities, to remain competitive in the stagflationary economy of the 1970s. Thrift managers pioneered the use of alternative mortgage instruments that enabled them to continue recording steady asset growth until 1979, when oil prices doubled and drove up inflation along with interest rates, forcing the Federal Savings and Loan Insurance Corporation (FSLIC) to allow insolvent institutions

to remain open in the hope that they could grow out of their problems. The only state in the union insulated, to a certain extent, against these problems was the oil empire of Texas, where in the midst of a deepening recession the industry's executives continued to float the argument that the American public "needed" to pay more now in the hope that higher profits would lead to higher supplies, and thus to lower prices in the future.

In May 1972, the International Monetary Market, the first exchange designed exclusively to trade financial futures contracts, opened as a division of the Chicago Mercantile Exchange in the backyard of Archbishop Paul Marcinkus. The physically intimidating Marcinkus, who was bodyguard to Pope Paul VI, Sindona's business associate at the scandalous Banco Ambrosiano, and the president of the Vatican bank from 1971 to 1989, was questioned by federal prosecutors from the organized crime and racketeering section of the US Department of Justice about his involvement in the delivery of $14.5 million worth of counterfeit US bonds to the Vatican. Sindona, who offered Nixon an anonymous campaign contribution of $1 million only to be refused on the basis that anonymous contributions were illegal (though apparently a pad at the Watergate was not), was Johnny-on-the-spot: The first futures traded on the new exchange were foreign-exchange futures. Tosches obliquely notes how his subject benefited from Nixon's fortuitous devaluation of the dollar nine months later, when the world's monetary movement ballooned to $2 trillion due to the stimulus of Nixon's abrupt termination of the Bretton Woods agreement pegging the dollar to a gold standard. Through Moneyrex alone that year, Sindona handled estimated foreign exchange transactions of more than $40 billion, which, in Tosches' phrase, "blew through the world like a gust of wind."

Moneyrex gave Sindona a unique business advantage, as did his friendship with Richard Nixon. Through it, Tosches intones, "he could see, as no one else quite could, the movement of the earth's wealth, the meshings and clashings of the immense and recondite machinery of

earthly power in flux. In a sense, Moneyrex was the world's shylock [*sic*], letting neither its right nor its left hand know what the other was doing, profiting equally from the greed of one as from the need of the other. It connected him with the great banks of the world, and gave him an edge of rare knowledge with which to conduct the other businesses of his empire. In time, through Moneyrex, Sindona spied conspiracies beyond the realm of greed and gold, saw the secret plottings of nation against nation, of destruction."[6]

He was also in a unique position to profit from such plottings, as were his friends and business associates. The Hungarian government traded through Moneyrex, and Sindona, the ardent anti-communist, was able to shrewdly spy the foreign-exchange movements of the Soviet government through this most important of its Eastern-bloc banking centers. When the Hungarian central bank placed an order to short 20 billion in dollars shortly after the United States had concluded an enormous deal to sell wheat at favorable terms, Sindona realized that Moscow was betting on a sudden decline in the dollar. He notified both Nixon and Connally. "As if orchestrated by the Kremlin itself, Secretary of the Treasury John Connally devalued the dollar by 10% on February 12, 1972."[7] Though Sindona piously decried the $4 billion profit trousered by the Soviets as America betting on its own destruction, he put a fat commission in his own pocket.

The relationships between Richard Nixon, David Kennedy, Michele Sindona, and John Connally form the central hub of Lombardi's *Inner Sanctum: The Pope and His Bankers*. Nixon's law firm, Mudge Rose Guthrie Alexander & Ferdon, acted as Sindona's legal representative in the United States, and Kennedy served on the board of Sindona's Fasco International.[8] Kennedy's involvement with Sindona stemmed from Gladio (Kennedy served as US ambassador to NATO after leaving the Treasury in 1971) and their co-financing of the 1967 colonels' coup in Greece. Kennedy oiled Sindona's way into the American banking system by sponsoring his purchase of Franklin National Bank. He served on the

board of Sindona's Fasco International and, as Sindona's advisor, provided him lavish connections to banking officials in the United States and abroad. According to Kennedy, Sindona offered him the job of chief executive officer at Franklin, an offer he graciously declined.

Franklin's collapse—brought about by a vast number of fraudulent currency transactions directed by Sindona—was the largest bank failure in American history until David Kennedy's own bank Continental Illinois failed 10 years later in 1984 and ushered in the second round of savings-and-loan crises. As Joan Spero put it in *The Failure of Franklin National Bank*, it challenged the international banking system itself, as Sindona's Italian and Swiss banks were also forced into liquidation.[9] It would take five years to bring Sindona to trial in the State of New York in September 1979—just as the price of oil doubled and drove inflation even higher than it had been—on 65 counts of fraud, perjury, false bank statements, and misappropriation of bank funds.

In 1978, even as he was waiting to stand trial, Sindona met regularly with a Pentagon representative, Rear Adm. Max K. Morris. * According to Tosches, Sindona and Morris discussed Sindona's ideas for instigating a secessionist movement in Sicily, "an island of supreme strategic importance to the future of the world's democratic powers." Tosches says that Morris then relayed Sindona's ideas to President Carter's CIA director, Adm. Stansfield Turner. [10] On August 2, 1979, a month before his trial was set to begin in New York, Sindona mysteriously disappeared from the Fifth Avenue sidewalk in front of the Pierre Hotel and reappeared, equally mysteriously, at the corner of 10th Avenue and 42nd Street six weeks later, having occupied his time not only in conspiring to aid the United States in overthrowing the legitimate government of Sicily, but in seizing the opportunity of travel to consult with Col. Muammar Qaddafi on a plan for "Middle Eastern economic strategy" that he had presented to the shah of Iran in 1978 and which might give Qaddafi "a way to recycle his so-called petrodollars in a manner that would, perhaps through the acquisition of strategic

commodities, give him dangerous economic powers to use in his dealings with America."[11] The key to Sindona's plans was, as always, the elaborate use of currency swaps that might, with sufficient leverage behind them, be used to attack the dollar as Sindona had once attacked the lira. He also conveniently used his time in Italy to gather documents pertaining to his relationships with over 500 prominent Italian industrialists and politicians, American businessmen such as Kennedy, and even his relationship with the CIA, which he planned to use to persuade authorities in Italy and the United States to modify the charges against him. However, his hopes were dashed when Marcinkus and two other Vatican officials declined to act as character witnesses.[12]

Investigations into the long sad story of the stripping of Franklin National's assets by Sindona's fraudulent foreign currency trades were the beginning of public revelations of what professor R. T. Naylor was to name the "general criminalization of financial activity."[13] During the hearings on Franklin's insolvency, Kennedy testified that he accepted a $200,000 personal loan from Sindona that he reported he fully repaid."[14] Nevertheless, his proximity to Sindona—and Nixon's, and John Connally's, and that of Archbishop Marcinkus, the president of the Vatican bank—threatened an unprecedented political disaster. The Italian state-appointed liquidator of Sindona's holdings, Giorgio Ambrosoli, unearthed evidence that the Gambino family had handpicked Sindona to manage the syndicate's reinvestment of drug profits into legitimate businesses, a revelation that might have led not only to the confiscation of billions of hidden assets in Sindona's Swiss bank accounts but also to the prosecution of high-ranking Mafiosi who might be expected to show no qualms about exposing their political allies to secure deals for themselves. Ambrosoli was assassinated by an American contract killer hired by Sindona in July 1979, before he could proceed further to still more damaging revelations.[15]

Upon the insistence of the Italian government, Sindona was extradited to Italy in 1981 for the crime. His extradition coincided with the collapse

of his partner Roberto Calvi's Banco Ambrosiano in Milan and revelations that hit the Italian press about the role played by the far-right, Vatican-connected Masonic lodge Propaganda Due in the financial disaster, which nearly took down the Milan stock exchange as well. $1.3 billion that bank examiners could not account for were explained in a letter from Calvi to Pope John Paul II on the eve of Calvi's death, asking that the sums which Calvi had supplied to Solidarnosc and to the far-right regimes of South America upon the Vatican's direction, and which amounted to the missing $1.3 billion, be returned to him to wipe out his debt.[16] Curiously, the American savings-and-loan crises which began with "*Il crack Sindona*" would be bookended by the Mafia financier's death in 1986, in an Italian jail, poisoned by a cyanide-spiked cup of prison coffee as he threatened to spill the beans on Gladio's funding, and Iran/Contra's as well.[17] Ted Shackley was in Rome at the invitation of the head of Italian intelligence to consult on an unrelated matter at the time.

Calvi folded most of Sindona's banking assets and operations into Banco Ambrosiano, the banking partner of BCCI, before Calvi himself was found hanged under Blackfriars Bridge in London in July 1982. In 1984, another BCCI partner, Bank of America, curiously enough, was to buy up the wreckage of Sindona's business partner David Kennedy's Continental Illinois, up until the seizure of Washington Mutual in 2008 the largest bank failure in American history and the origin of the now-famous catchphrase "Too big to fail."

Sindona's legerdemain with foreign exchange, key to the spectacular failure of Franklin National Bank, was the template for the Texas savings-and-loan debacle.[18] At his trial in New York in 1979, the government demonstrated that not only had Sindona bought control of the bank with money laundered from Franklin itself, but he had concealed the $30 million in foreign-exchange losses that brought down the bank by inventing "illusory profits" from other fabricated foreign-exchange transactions. In subsequent accounting periods, after the fictitious

earnings had served their purpose, the transactions would be reversed at the same artificial rate of exchange, washing out the effect of the original false transactions.[19] It was, in its way, a breathtakingly brilliant Ponzi scheme, irresistible to others who had access to the information, particularly to those with hot money from commodities. Like oil. Like Texas oil.

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* Morris, strangely enough, had been navigation officer on a US naval vessel only 20 minutes from the USS *Liberty* when it was attacked by Israeli aircraft and mortar boats in 1967. (Joseph Tully, former commanding officer of USS *Saratoga*, in a speech to USS *Liberty* survivors, San Diego, 2005.)

THE GREAT TEXAS BUST-OUT

Like a pair of bookends, the collapse of Sindona's pet ambassador and personal ombudsman David Kennedy's Continental Illinois Bank in 1984 ushered in the next cycle of savings-and-loan failures begun by the 1974 demise of Sindona's Franklin National. The ambitious expansion program initiated by Kennedy as the bank's chairman before he departed in 1969 to become Nixon's treasury secretary ended in tears when Continental, which had aspired to be the nation's leading lender to the booming energy business of the 1970s, was forced to write off $326 million in bad energy loans from Penn Square Bank of Oklahoma.[1] Savings-and-loan institutions toppled like dominoes particularly in the Southwest and Midwest, where "oil exploration," often of dry wells, was most popular. After the Fed set precedent by bailing out Continental, by virtue of being the sixth biggest bank in the nation and the 15th biggest bank in the world—truly "too big to fail"—the estimated cost of the entire bailout rose to over $160 billion, with $125 billion borne by the US government. In Texas alone, 15 savings-and-loan banks were blown up by massive overbuilding as well as by the bookkeeping of investors like Adnan Khashoggi, the arms dealer and CIA fixer who first became known as the biggest Arab real-estate investor in the United States and then as a key middleman in the Iran/Contra affair. Journalists like Pete Brewton have speculated that large-scale CIA money laundering through the savings-and-loan system caused its collapse, although the personal greed of those involved was no doubt a contributing factor.[2]

Not entirely by coincidence, the American savings-and-loan crises of the 1970s and 1980s also marked the years when the two hemispheres of Lombardi's "one continual drawing in my head"—Sindona's money-laundering operations for the Gladio axis and the corporate consolidation of Ted Shackley's drug-running operations in Southeast Asia with the Saudi-American covert funding agenda—began to merge. They were linked by Banco Ambrosiano, which was banking partners with BCCI as

well as with the Vatican bank, and by the incredibly complex funding scheme for Iran/Contra.[3] The "rhizomatic" underground banking system they formed, pumped up with Ponzi'd real-estate acquisitions, burst full-grown into national consciousness in 1992, when the United States Justice Department and a US Senate committee led by John Kerry opened investigations into the money-laundering conglomerate BCCI. But it first became visible in Texas in 1986, when a group of journalists from *The Houston Post* began investigating connections between the collapse of 15 Texas savings-and-loan institutions, Mafia investors, and illicit funding for Oliver North's Iran/Contra adventure. At the same time, a highly unusual business divorce surfaced in the Texas lower courts, and Mark Lombardi joined a "group of young people interested in political connections not generally discussed" (i.e., the connections of those events to the Bush family) curated by the former Democratic candidate for the US vice presidency, Sissy Farenthold.[4]

In March 1977, George H. W. Bush decamped as head of the CIA and headed back into banking at First International Bancshares in Houston, taking 26 embittered senior spooks with him.[5] He stayed there for the next two and a half years (almost three times longer than his year as head of the CIA) as a board member, consultant, and chairman of the executive committee of the company—and as chairman of the board of First International's London-based merchant bank, also called First International.

First International, where George W. Bush also worked as a young clerk in the summer of 1967, was not, as Russ Baker put it, your friendly neighborhood bank, but a Texas powerhouse that reached well beyond banking into the netherworld of intelligence and intrigue.[6] It interlocked —deeply—with Senator Herbert Lehman and Gen. Lucius Clay's Crusade for Freedom through the Dallas Council of World Affairs, set up by Bush family sponsor Neil Mallon in 1951 to bring conservative oil tycoons and titans of the burgeoning Texas military-contracting industry together to

fight communism.[7] Some of those tycoons, like the Hunt family, were charter members of the World Anti-Communist League as well.[8] So were the Saudis, who were among the most important clients of First International Bank. George H. W. Bush has said he can't remember exactly what he did for First International, but Bill White claims he was hired to bring in Arab deposits.

According to White, the bank handled massive transfers of Saudi funds and even provided a revolving line of credit for Salem bin Laden, Osama's older brother. When Bush Sr. came on board in 1977, First International embarked on an oddly familiar massive expansion program to form the biggest commercial bank in Texas, FirstRepublicBank. Fourteen months later, the giant holding company failed and required a $3.5 billion federal bailout, the result of combining its voracious acquisitions program with a "spree of speculation and usury that in particular devastated the Texas economy and sent commercial banks into bankruptcy," all seeming to benefit a group of predominantly foreign investors.[9]

According to Joseph Trento, private covert funding for Safari Club ventures flowed through First International's London subsidiary. It was provided in part by petrodollars supplied by Kamal Adham, who, like George H. W. Bush, had been recently removed from power but was still acting as a conduit for elements of the Saudi ruling structure who wished their favors to remain secret. Other funding came from BCCI, the CIA bank on whose business plan Adham had collaborated with Bush.[10] Adham, Ghaith Pharaon, and the Saudi royal family banker Khalid bin Mahfouz were all BCCI principals, along with its Pakistani founder Hassan Abedi. As Trento put it, "The military power the Saudis needed in order to survive had to be provided by the United States. To pay for that power, the Saudis could dispense political and financial favors. On occasion, to prevent political repercussions, those favors had to be granted in secret." Bush, rather than the acting president, Jimmy Carter, whom the Saudis did not trust, was to be the beneficiary of those secret

favors.

THE YEAR OF Nixon's downfall, 1974, saw the onset of the first American savings-and-loan crisis, and it was also the year that the Saudis "arrived" in America in the form of high-profile bank takeovers ably assisted in many instances by John Connally, who upon his return to private practice became the go-to lawyer for Arab interests in the United States. As Nixon's treasury secretary, Connally not only introduced his program for raising the price of gold and devaluing the dollar but famously told a group of European finance ministers worried about the export of American inflation that the dollar is "our currency but your problem," a *bon mot* of particular value to the oil industry he had served so well as Sid Richardson's and Perry Bass's attorney before entering public office. After leaving public service in 1974 after being indicted on bribery and influence-peddling charges, Connally was rewarded by a lucrative practice back in Houston at the oil industry/political powerhouse law firm of Vinson Elkins, which represented Iran/Contra fixer Adnan Khashoggi, a favorite Lombardi subject, in a number of high-profile bank takeovers. Connally also was made a director at Main Bank, in which Khalid bin Mahfouz, personal banker to the Saudi royal family and a non-executive director of BCCI, had a 20 percent ownership stake.

Main Bank, a joint Saudi-Texas venture intimately connected to First International Bancshares, where George H. W. Bush was ensconced a few short blocks away, "brought together the Saudi geopolitical agenda, funding for U.S. covert operations, and related money-laundering as well as the chance to make a buck." A central hub in Mark Lombardi's *George W. Bush, Harken Energy, and Jackson Stephens, ca. 1979–90*, Main Bank's other principal investors included Bush family protégé James R. Bath and BCCI frontman Ghaith Pharaon.[11] In 1991, "unusual transactions" by Main Bank came to light when a researcher discovered that the small community bank, which only held $58 million in deposits on the books, had been buying $10 million a month in new $100 bills for

unknown purposes.[12]

Another Texas facilitator of Arab interests, James R. Bath, a close family friend and business partner of the Bushes, managed the American interests of the Saudi royals and their banker Khalid bin Mahfouz. In 1976, Bath opened an aircraft brokerage that offered his Saudi clients a private version of Air Force One to ferry them in and out of the country. In a curious coincidence, Ellington Field, where Bath set up his Houston base, was also home to Claire Chennault's Flying Tigers during World War II. Flying Tiger Airlines would provide planes for arms and cocaine-smuggling during the Iran/Contra debacle orchestrated by Ted Shackley, when funds generated by secret sales of arms to Iran were diverted to support anti-communist Contras in Nicaragua and senior Reagan administration officials engaged in a new round of efforts to deceive Congress.[13] One of Chennault's top flying aces, David Lee "Tex" Hill, created and commanded the 58th Wing of the Texas Air National Guard, where George W. Bush did his controversial service along with his buddy, James R. Bath. The Cayman Islands entity that incorporated Bath's companies also set up a money-collecting front company for Oliver North.[14] Bath's aircraft-leasing company, Skyways, was owned by Khalid bin Mahfouz, the head of Saudi Arabia's National Commercial Bank. Through Skyways, Bath reportedly brokered about $150 million in private aircraft deals to major BCCI shareholders such as Pharaon and Sheikh Zayed bin Sultan al-Nahayan, ruler of the United Arab Emirates.[15] It is curious to note that, after a protracted series of confrontations with the Federal Aviation Administration over, among other things, inspecting Bath's fleet and the licenses of its pilots, the FAA recused itself from regulatory oversight and allowed it license to fly in and out of US airspace without hindrance.[16]

In 1978, Bath became a shareholder and director in Main Bank of Houston, where other principals included Connally, Pharaon, and bin Mahfouz. He also served as a go-between for the Saudis and Connally as the former treasury secretary positioned himself for a presidential run in

1980.[17] As we have seen, one of the most surprising finds among Mark Lombardi's personal papers is a copy of the 1976 trust agreement between Bath and Osama bin Laden's eldest brother, Salem, head of the bin Laden business empire, giving Bath "full and absolute authority" to act on bin Laden's behalf on business affairs in the United States. Bath cut a similar fiduciary arrangement with bin Mahfouz. In 1979 and 1980, Bath was to pump $50,000, allegedly from bin Laden's and bin Mahfouz's coffers although Bath maintained the money was his own, into a struggling oil company owned by George W. Bush.[18] Bath remained a major shareholder until Bush nominally sold the company in 1986. Upon Salem bin Laden's death in a private plane crash in 1988, his interest in Bush's oil company, which had by then undergone several changes of identity, allegedly passed to bin Mahfouz.

Inner Sanctum, World Finance Corporation, Miami, ca. 1970–84 and *BCCI-IC-FAB* were the bank scandals that fascinated Lombardi the most: He did six versions of the first two and four of the third before his death ended his preoccupation. In many ways *World Finance Corporation* is the cornerstone of his major work because of its chief protagonist, Guillermo Hernández-Cartaya, the Cuban banker who served time in one of Castro's notorious prisons for his participation in the Bay of Pigs invasion but who later cooperated with Castro's guerrillas while maintaining his affiliations with Cuban counter-revolutionaries. Hernández-Cartaya founded and became the head of World Finance Corporation in 1971 with help from "old China hand" Walter Sterling Surrey, a Floridian banker who would become central in Texas's savings-and-loan debacles. In a publicity release disseminated by *The New York Times*, Hernández-Cartaya said he hoped to utilize his wide-ranging contacts in the Latin American political and economic world to tap the growing market between American lenders and Latin American borrowers made possible by the Edge Act, an amendment to the Federal Reserve Act of 1913 that allowed national banks to engage in international banking through federally chartered subsidiaries.[19] In fact, World Finance Corporation

came into being as a result of a further amendment in 1966 that allowed US banks to invest directly in foreign ones, an amendment that, according to Robert Hobbs, "helped clear the way for the unprecedented laundering of drug money."[20]

Hernández-Cartaya, as we have seen, was a double agent who walked at least four sides of the street, with the CIA, the Mafia, Fidel Castro, and the Columbian drug cartels for whom he allegedly laundered vast and untraceable sums. A 1976 investigation by the Dade County district attorney revealed World Finance Corporation to be the longest-running and largest money laundry for the Colombian cocaine cartels. The money was funneled through an elaborate labyrinth emanating from Cisalpine Bank, owned by Sindona's partners, Archbishop Paul Marcinkus and Roberto Calvi, into the Vatican bank and Swiss numbered accounts.

In 1975, Hernández-Cartaya served as Castro's intermediary to Colombia in arranging a $100 million loan that cemented political relations between the two enemies of the United States. Through World Finance Corporation's Panamanian affiliate Unibank, which Hernández-Cartaya established in 1973, he also engaged in arms-smuggling, circumventing the US-Cuban embargo, and "secretly misappropriating and improperly diverting" more than $50 million from banks on three continents. The Dade County investigation closed WFC down in 1980, but not before Hernández-Cartaya golfed with Nelson Rockefeller; worked with Santos Trafficante; assisted the CIA in laundering drug money; cultivated a relationship with Narodny Bank, the Soviet institution responsible for funding Russian undercover agents and which advanced his corporation a $2 million loan; and developed business relationships with at least one Bush. All of these elements are clearly visible in Lombardi's seven drawings of Hernández-Cartaya's doings, the last completed in 1999 shortly before his death.

One reason for Lombardi's fascination with WFC was that it reached deep into Texas, into the very tangle of banking associations that he was originally engaged to unpick, and indeed into the convoluted business

dealings of his favorite *bête noir*, the Bush family. By 1974, Guillermo Hernández-Cartaya was on the board of directors of Jefferson Savings and Loan, a Texas institution whose board also included one of Texas's two most prominent politicians, Senator Lloyd M. Bentsen. By 1976, Hernández-Cartaya had bought Jefferson Savings from Lloyd Bentsen Sr., the senator's father, who also gave James R. Bath his start in the real-estate business. By 1977, Hernández-Cartaya and World Finance were the epicenter of intensive state and federal investigations into drug smuggling, gun-running, money-laundering, political corruption, and terrorism because of his activities at Unibank. When contacted by *Houston Post* reporter and author Pete Brewton, Bentsen denied not only knowing Hernández-Cartaya but ever having owned any interest in Jefferson Savings and Loan, despite the fact that signed and notarized records filed with the Texas Savings and Loan Department indicated he was a founding director and stockholder.[21] Hernández-Cartaya was convicted of defrauding Jefferson Savings in 1982 and sold the bank to a group of Austin investors. The DEA and Congressional investigators found links between World Finance Corporation and Santos Trafficante, the Mafia boss in Florida who appears as a hub in Lombardi's *WFC* drawings.

One of the six founding directors of World Finance Corporation was lawyer and "old China hand" Walter Sterling Surrey, whom Lombardi drew in close proximity to the main hub. En route from heading the State Department's Division of Economic Security Controls and founding his own international law firm, Surrey had served at WFC in the 1970s when it became the focus of "intense and extensive" state and federal investigations into drug smuggling, money laundering, gunrunning, political corruption, and terrorism. He abdicated his position in 1976 and denied any knowledge of intelligence or illegal activities at Hernández-Cartaya's company. In 1985, Surrey's Washington law firm, which concentrated on international law and represented a number of foreign countries and multinational corporations, merged with the nation's

biggest savings-and-loan law firm, Jones Day Reavis & Pogue, which in turn became the epicenter of the Texas savings-and-loan crisis and, in 1992, the Charles Keating scandal (another Lombardi drawing). Today, it is America's biggest law firm.

According to legal scholar Stuart Taylor Jr., in a $76 million lawsuit brought by the Federal Deposit Insurance Corporation (FDIC) against Jones Day Reavis & Pogue, the firm aided and abetted insiders in "fraudulent" transactions designed to create "phantom profits" by having Texas thrifts do "sham transactions" with each other and cooperating borrowers—often with Jones Day representing both sides of the deal—so that they could inflate capital and pay millions in dividends.[22]

In *The Mafia, CIA and George Bush, Houston Post* journalist Brewton describes the destruction of the savings-and-loan industry in Texas as an organized crime "bust-out": a mob scam in which a failing company is taken over, pumped up on credit, drained of all its assets, and then dumped into bankruptcy, leaving its creditors, for the most part the US taxpayer, holding the bag.[23] The practice, alternatively known as "pump and dump," is not unusual in Wall Street parlance. In at least poetic justice, Connally himself would be bankrupted by his participation in the pump-and-dump schemes that finally blew up the Texas real-estate market along with its savings-and-loans.[24] Brewton states forcefully in his introduction that the success of George H. W. Bush's 1988 presidential campaign hinged on his success in keeping the Texas S&L debacle out of the national debate, primarily because of the involvement of his own sons but also, it is to be inferred, because of the involvement of intelligence assets to whom he retained strong connections blowing bigger and bigger bubbles to enrich themselves at the cost of the US government.[25]

"The means employed to inflate the net worth of assets," the FDIC said, included loan transactions "in which each associate would lend money to a borrower in order to finance that borrower's purchase of property owned by the other association at prices in excess of their

market values." Oil and gas properties were favorite vehicles for these sham transactions, like those flipped by Ed Baker, which gave artist Mark Lombardi a personal stake in a hot financial story. Baker's oil profits, like those of Jerry Dale Allen and others associated with the ultimate collapse of Texas real estate, turned out to be illusory as he was pumping dry wells.

In 1986, Hernández-Cartaya's friend and business partner Camilo Padreda, who was also indicted twice for defrauding Jefferson Savings, hired Jeb Bush's real-estate company to be the exclusive leasing agent for a Padreda office building constructed with HUD funds despite a conspicuous lack of demand. Padreda, the GOP finance chairman for Dade County, was a former counterintelligence director for deposed Cuban dictator Fulgencio Batista who made his money in America as a developer, specializing in deals with the corrupt department of Housing and Urban Development. In 1990, he pleaded guilty to falsifying HUD documents to get a $17.8 million guarantee for an apartment complex. Contacted by *Newsday* for comment, Bush said he did not recall calling HUD on Padreda's behalf but stopped short of denying he might have done so.[26]

The relationship between Padreda, Bush's real-estate company, and HUD is clearly delineated in Lombardi's WFC series, as is Bush's business association with another Cuban-American émigré, Jorge Recarey; in fact, the WFC series documents much of the Florida-based business network formed by the Cuban elite who fled Castro as well as Jeb Bush's involvement with them.[27] Recarey ran International Medical Centers (IMC), one of the nation's fastest-growing HMOs under the Reagan administration and a "criminal enterprise interfaced with intelligence operations" reportedly financed by Miami Mafia godfather Santos Trafficante Jr. Recarey, who had participated in Operation Mongoose and its ill-fated assassination plots against Fidel Castro in the early 1960s, achieved his spectacular growth rates through Medicare fraud, including lobbying for a special exemption from Health and

Human Services rules through the offices of Jeb Bush.[28] Both HUD and Medicare fraud were to feature in Mark Lombardi's next six-part series of drawings, on Charles Keating's Lincoln Savings and Loan, along with Jeb Bush, Neil Bush, and George H. W. Bush, as well as Gen. John Singlaub and Col. Richard Secord.

BCCI, IRAN/CONTRA, HARKEN ENERGY, AND JACKSON STEPHENS

John Kerry's Iran/Contra investigation brought the axis of the Enterprise perilously close to the hungry scrutiny of a dogged researcher in the employ of Texas politico Sissy Farenthold, Mark Lombardi. Those associations clustered around Iran/Contra's main booster, Maj. Gen. John Singlaub, were of particular interest to Lombardi. As the Seagraves put it, "Eventually, Iran-Contra revealed the intimate bonds between the members of The Enterprise and unelected officials of the National Security Council, Pentagon, and CIA."[1] Others, not so measured, described an entirely new financial entity, a "system in which mega-corporate and government insiders use the U.S. government, its agencies and programs as their own private piggy bank—a criminal and privatized 'public sector.'"[2] It is no coincidence that Kerry's investigation of Iran/Contra led to his investigation, six years later, into BCCI.

In 1974, BCCI arose full-grown from the collapse of Paul Helliwell's Bahamian banking empire under pressure from an IRS turned suddenly hostile with Nixon's removal from office. Helliwell's alcoholism was also a factor. Much of BCCI's global network was created out of a wave of criminally tainted mergers-and-acquisitions activity. The Israeli-born Bruce Rappaport's InterMaritime Bank absorbed the ruins of Castle Bank and Mercantile Bank and Trust of the Bahamas when Mercantile collapsed in 1972 because of the discovery of its fraudulent activity. The bank had made large loans to numbered trusts of its American investors and officials to purchase securities on very large margins. The securities were used as collateral for the loans, in a classic Ponzi scheme. The scam fell apart when the market tanked, the value of the securities plummeted, and the margins were called. Mercantile conspired to conceal existence of defaulted loans by setting up shell corps in the Bahamas and Panama, a modus operandi that would become familiar in the savings-and-loan and other financial scandals that followed. International Bank, another CIA

bank holding company, bought up 66 percent of its stock even though it was fully aware of the probability of default. International also held the largest block of shares in Financial General Bankshares, which would be taken over by BCCI in 1977 after draining what was left of Mercantile dry by more questionable loans, mostly to secretly purchase Florida acreage for the Disney Corporation as it planned Disney World. The CIA, with Shackley promoted to Desmond Fitzgerald's former position as head of western operations, turned to Nugan Hand Bank, fortuitously established in Sydney in 1974, and enabled it to set up branch offices all over the world staffed with former top military and intelligence officials. Nugan Hand, according to Trento, became "nothing but a shell operation for BCCI"[3] that actively sought investment opportunities in the United States.

In 1975, a year after BCCI's emergence, the World Anti-Communist League splintered amid public revelations of its rabid anti-Semitism. It reconstituted itself shortly after Reagan's first inauguration in 1981 in an American chapter called the US Council for World Freedom, headed by Singlaub and facilitated by a $20,000 loan from Taiwan. The USCWF began building support for the Reagan policy of aiding not only the right-wing Nicaraguan Contras but also Mozambique's anti-communist RENAMO, Angola's UNITA, and rightist Islamic fundamentalists in Afghanistan. Singlaub, who constituted his group out of ultra-right American conservatives who were "interested in, or had been involved with, national security and foreign policy," saw the venerable League as a vehicle for transforming ideology into international action. He also advised the Birch Society's Western Goals Foundation a group that openly advocated a return to the McCarthyite internal surveillance practices of the 1950s (McCarthy's mouthpiece, Roy Cohn, sat on the board of Western Goals. After a board battle over control followed the death of its founder, Democratic congressman Larry McDonald of Georgia, the foundation was taken over by conservative fundraiser Carl "Spitz" Channell, who turned it into a conduit for Iran/Contra funding).[4]

Singlaub informed the NSC and CIA of his actions and operated with their consent if not under their control, calling for and initiating unconventional warfare "on a level that the American government was unwilling or unable to do for itself."[5] He was actively involved in hunting for Black Eagle gold in the Philippines in 1986 for the purpose of funding unconventional warfare.[6] Iran/Contra, the defining scandal of the Reagan administration, was the result of all his efforts, greatly assisted by the administration's relaxation of rules administering the practices of savings and loan institutions. Then–Vice President George H. W. Bush helmed a task force on financial regulation of this area of financial investment, and may have also overseen its systematic looting by the intelligence community and associated organized crime, described at length in Pete Brewton's *The Mafia, CIA & George Bush*.[7]

Singlaub became the single biggest fundraiser for Iran/Contra. According to Al Martin, a former Navy lieutenant commander who asserts that he worked on Iran/Contra, one of Singlaub's booster efforts was allegedly a HUD scam known as the Phoenix Development Fund. These properties were purchased for 10 to 20 cents on the dollar through loans at Charles Keating's Lincoln Savings and Loan (subject of a six-version Lombardi series), incorporated into a limited partnership, and then resyndicated by the general partners who included Generals Singlaub and Col. Gadd, Col. Dutton, Jeb Bush, Neil Bush, Walter Bush, the then vice president's nephew Prescott Bush, and several other assorted Bushes.[8]

According to Stu Webb, the ex-son-in-law of Leonard Yale Millman, who owned the parent company of Silverado & Loan in Denver, where George and Jeb's brother Neil Bush was a board director before it went bankrupt, Silverado, Lincoln, and the domino of failed S&Ls in the 1980s were part of a "global fraud network" set up to fund covert operations and even government destabilizations with a particular, right-wing agenda. Webb describes a "Golden Circle" of interrelated, CIA-friendly companies pumping up their book values by flipping each other "illusory

profits" in the form of falsely appraised real estate that would then be further magnified by increased equity-based borrowing power and junk-bond-subordinate note sales. In its scope, what he is really describing is the early stages of a stealth financial coup, the subject of some of tax lawyer and financial commentator James Rickards's favorite fulminations. (In an interesting parens, Rickards, who served as general counsel for the hedge fund Long-Term Capital Management and was its principal negotiator in the 1998 Fed bailout that presaged the global financial crisis of 2008, is advertised on various websites and in mass e-mails where his work is used to support warnings of imminent financial collapse in the United States as "Financial Threat and Asymmetric Warfare Advisor" to the CIA and Director of National Intelligence. There is no official evidence that any such association exists, but Rickards is given a fair amount of credence in the financial community. In his 2011 book, *Currency Wars*, he argues that currency and/or foreign-exchange wars are a national security concern, and that the United States faces serious threats from clandestine gold purchases.)

Although Webb is probably driven by a certain amount of personal animus, he does make clear one important connection left vague in both Senator John Kerry's BCCI investigation and Brewton's *The Mafia, CIA & George Bush*. The Saudi European Investment Corp., the small Paris-based BCCI subsidiary where Lombardi's favorite Texas conman Ed Baker did business and where John Connally, James Baker III, and Ghaith Pharaon governed as directors, was allegedly the corporate front through which Charles Keating, Silverado, and MDC Holdings moved money bled from their depositors through junk bond sales offshore to BCCI. Webb says that Singlaub and the World Anti-Communist League also laundered the proceeds from Oliver North's illegal weapons sales through Lincoln Savings, which ended up in 1988 as yet another of the "single most costly savings-and-loan failures in U.S. history," at a cost of $2 billion to the federal government, and subject of another series of six Mark Lombardi drawings.[9] When it went down, Millman's company, MDC Holdings,

absorbed all of Keating's real-estate subdivisions in Phoenix and other locations. Lombardi did one version, *Charles Keating, ACC, and Lincoln Savings and Loan/Verso: Silverado*, which did not make it into the traveling show of Lombardi's work during George W. Bush's term of office but subversively insinuates Keating's financial relationship with the Bush family.[10] A partner in Walter Surrey's original law firm, Surrey and Morse, also figured in the Silverado banking scandal in 1989, in which the Federal Deposit Insurance Company sued Neil Bush for "gross negligence," leading to the bank's 1988 collapse from risky and/or illegal loans made to various cronies in the Iran/Contra Texas network.[11]

Independent counsel Lawrence Walsh's investigation into Iran/Contra revealed some if not all of the corrupt private banking framework on which it depended. As is obvious in Mark Lombardi's *Oliver North, Lake Resources of Panama, and the Iran-Contra Operation, ca. 1984–86* (and in the transcripts from Walsh's hearings), Lake Resources of Panama, through which money from North's wealthy private donors was channeled ostensibly to buy arms for the Contras, was actually the Swiss bank account for the Enterprise. Singlaub's central fundraising role is abundantly clear in the drawing, as are contributions from the government of Taiwan and right-wing billionaire Joseph Coors, an Enterprise stalwart. Walsh makes the interesting point that, of $6,323,020 of Contra-related contributions raised through Carl Spitz Channell's National Endowment for the Preservation of Liberty, only $3,306,882 actually went to the Contras. The disposition of the rest is unclear, although Channell and other fundraisers paid themselves lavish "commissions" in the hundreds of thousands of dollars.[12] Channell was struck and killed by a car in the nation's capital after cooperating with Lawrence Walsh's investigation and implicating Oliver North on charges arising from his involvement in illegal fundraising after a previous acquittal.[13]

Funds were also directed through a shadowy Cayman Islands bank account, I.C. Inc., which had links to James Bath and BCCI and, as Mark

Lombardi succinctly put it, handled "'hot' and 'dirty' money for a panoply of international gangsters, arms dealers, bagmen, corrupt foreign agents, drug smugglers, money launderers and agents of foreign influence, not to mention elements of the intelligence services of the U.S., U.K., Pakistan, U.A.E. and Saudi Arabia which among other things, used the bank in the early 1980s to provide support to the Afghan mujahedeen fighters, finance parts of the Iran-Contra operation, and funnel bribes to 'retired' terrorist Abu Nidal."[14]

Lombardi depicted another mob-affiliated bank, Palmer National Bank of Washington, utilized by North to send NEPL-supplied money and weapons to the Contras. Palmer was founded in 1983 by Louisiana businessman Harvey Maclean Jr. with a $2.8 million loan from Herman K. Beebe, one of Sissy Farenthold's targets who was linked with New Orleans crime bosses Vincent and Carmen Marcello. The Marcellos, as we have seen, also controlled the port of Houston. Beebe, as evident in Pete Brewton's *The Mafia, CIA & George Bush*, played a central role in the serial failure of 12 Texas S&Ls. Maclean's partner was none other than Stefan Halper, George H. W. Bush's foreign policy director in his unsuccessful 1980 presidential campaign, who stepped into bank leadership with no previous banking experience. Halper's résumé did include links to several alleged Republican dirty-tricks campaign tactics, including the infamous October Surprise reportedly engineered by Ted Shackley to obstruct Carter's attempts to free Americans taken hostage in Iran in 1979 in order to delay their release until after the election.[15]

After North left the National Security Council because of his role in Iran/Contra, the crude handwritten flowchart of some of his covert network studied by Mark Lombardi was found in his safe, labeled "Project Democracy." Project Democracy had been authorized by President Reagan's National Security Decision Directive 77, at the same time North was appointed by NSC director Robert MacFarlane to head up the covert empire. North's flowchart lists approximately 23 "Resource Development" and "Financial Management" companies that functioned

as offshore shell corporations as well as gunrunning operations linked to Gen. Richard Secord and Ted Shackley. The majority of these companies were funded by a peculiar "private foundation" known as the National Endowment for Democracy and funded by Congress to the tune of $80 million. The National Endowment for Democracy included Henry Kissinger and the wife of ex–CIA director William Colby in its management. Kissinger shows up in Mark Lombardi's fourth *BCCI* version as a vector linking BCCI with other scandals such as Iran/Contra.

GEORGE W. BUSH, HARKEN ENERGY, AND JACKSON STEPHENS

As we have seen, the third version of *BCCI-ICIC-FAB*, Lombardi's masterwork, drew all the various scandals he depicted together and arranged them on four timelines to show the chronological evolution of the Enterprise's private banking system through the various public disasters it created. It was his "ur-drawing," the key to all his work, and its destruction rendered him distraught. But it is in *George W. Bush, Harken Energy, and Jackson Stephens, ca. 1979–90* that Lombardi made the most elegantly simple connection between the Black Eagle past and the modern Enterprise, in the lower-left vector linking Ferdinand Marcos and William Quasha with William's son Alan, the Harvard Endowment, and the rescue of George W. Bush's failing oil company, a potential "button" for drawings to come.

In 1977, George W. Bush organized his first oil venture, Arbusto Energy Inc., Arbusto being Spanish for "bush" or "shrub" (Bush's nickname). After an unsuccessful 1978 run for the House of Representatives, Bush returned to the oil business and attempted to take Arbusto public in 1982. After less-than-optimal results, he changed the company name to Bush Exploration. By 1984, Bush Exploration was in dire need of capital and merged with Spectrum 7 Energy Corp. of Ohio, owned by William DeWitt Jr. Bush was made CEO and as part of the deal received 1.1 million shares of stock, or 16.3 percent of the company.

Harken Energy began life in the 1970s as an unprofitable collection of Texas oil wells for investors who, like Ed Baker and his clientele, were seeking tax write-offs. That strategy changed in 1984 when Alan Quasha, a lawyer and Harvard MBA with no previous experience in the oil business, bought control and proceeded to trade large chunks of Harken stock for sick oil companies that owned not only wells but pipelines and gas stations.[1] Alan is the son of William Quasha, who assisted General MacArthur in the Black Eagle gold operation and later defended figures

in the Nugan Bank scandal in Australia, part of the CIA's covert backing for the 1973 "constitutional coup" that caused the fall of Australia's popular prime minister, Gough Whitlam. Quasha Jr. is sometimes called "the biggest mastermind in Republican politics, the behind the scenes mover and shaker in the Bush family."[2]

The CIA transferred a $2,400,000 "slush fund," most likely provided by the Black Eagle Trust, to Whitlam's opposition.[3] The push to remove Whitlam from office came from none other than Ted Shackley, with the blessing of Secretary of State Henry Kissinger.[4] Whitlam opposed not only the US bombing of the civilian population of North Vietnam and Cambodia but the CIA's and Office of Naval Intelligence's use of the highly sensitive technology of the joint US-Australian space research facility at Pine Gap for espionage and nuclear alerts. Freelance journalist Danny Casolaro, part of Sissy Farenthold's "group of young people," covered the coup as part of the overarching story Casolaro called "The Octopus" that linked the characters involved in the pirating of sensitive technology developed by a Washington computer software company called Inslaw to the cast of Iran/Contra, the arming of Saddam Hussein, the October Surprise, and BCCI.[5] In 1991, after Casolaro was found with his wrists slashed in a motel bathtub, Mark Lombardi would incorporate the journalist's unfinished book outline into the master plan for his own drawings.

According to its corporate history, Harken was a small ($69 million) oil and gas exploration company with "ownership interests in other companies." Aiming to salvage or spin off the assets, Quasha spun a web of deals that would eventually push Harken's debt past $100 million and boost its revenues to more than $1.1 billion by the end of the 1980s, a sleight-of-hand which prompted its longtime chief executive, accountant Mikel Faulkner (who appears as a node in the lower-right quadrant of Lombardi's drawing) to wish anyone attempting to decipher the company's accounting statements good luck.[6] In 1986, Quasha stepped in to rescue Bush's faltering oil company, Spectrum 7.

An April 1996 *New York Times* story described Spectrum 7, like Harken, as less concerned with recovering oil than creating tax shelters. The company specialized in selling limited partnerships that exploited generous tax write-offs before the tax laws were revised in 1986.[7] But with the end of the Arab oil embargoes in the 1980s, a flood of cheap, imported crude oil drove many small producers out of business, and Bush, or rather Spectrum, needed another bailout in order to stave off foreclosure. Harken, under new management by Alan Quasha, who compensated for his lack of oil experience by his financial ties to a Swiss-based investment company called Compagnie Financière Richemont AG, offered Bush and his partners more than $2 million worth of Harken stock in exchange for their flailing 180-well company while retaining Bush as a consultant. Compagnie Financière Richemont's biggest backer was George Soros, known as "the Man Who Broke the Bank of England," the most famous currency speculator of his time and a renowned anti-communist fighter as well. In late 1984, Harken was appointed exclusive agent and manager of Soros Oil Inc., a privately held corporation, a deal which allowed Soros shareholders to exchange their interest for shares of Harken stock.[8] When it acquired Spectrum, Bush's and Quasha's alma mater, Harvard, kicked in with a $30 million investment from its endowment portfolio, and Michael Eisenson, head of the Harvard fund and a node in Lombardi's drawing, took a seat on the board. Even with this transfusion, Harken required more capital to keep up with its ambitions. Unnamed members of the board asked Jackson Stephens, whose family owns the nation's 10th-largest brokerage firm, to arrange a $25 million stock purchase from Union Bank of Switzerland, one of the world's largest banks but also one with recurring leverage problems.

Part of the deal, consummated in 1987, included placing Sheikh Abdullah Taha Bakhsh on Harken's board. Bakhsh's investment partners and other business connections included BCCI principals Khalid bin Mahfouz, Ghaith Pharaon and BCCI's Pakistani founder Hassan Abedi,

Bahrain's Prime Minister Sheikh Khalifah, and Palestinian-American businessman Talat Othman. Bakhsh and his connections form a major hub in Mark Lombardi's *Harken* drawing (purchased for a nominal sum out of the artist's estate by Greg Stone shortly after Lombardi's death and spirited off to Germany for a decade). These connections would become of national importance after 9/11. Bin Mahfouz was reportedly the primary backer of a privately funded Saudi charity, Muwafaq, or Blessed Relief, which, according to a 1996 CIA report, helped fund the Egyptian mujaheddin battalion in Bosnia as Al-Gama'at al-Islamiyya, the Egyptian precursor to al-Qaeda. In October 2001, the US Treasury designated the head of Muwafaq, a respected Saudi businessman named Yasin Kadi, as a global terrorist and Muwafaq as an al-Qaeda front "funded by wealthy Saudi businessman." Kadi funded a Massachusetts software company entrusted with installing and managing control system software at the White House and critical government agencies, including at the Federal Aviation Administration where it was in operation on 9/11. The interesting—and unanswered—question is how Kadi's company won such sensitive technology contracts to begin with.

Bin Mahfouz avoided being designated a terrorist, but may also appear on a US Justice Department list of early backers of Osama bin Laden under the mistranslation "Bin Mahfoodh." Bin Mahfouz's lawyer acknowledged that in 1988, bin Mahfouz contributed over $250,000 at the request of Osama's brother Salem (James Bath's Texas client) but said that, in accord with US foreign policy at the time, the money went to a fund to support the Soviet resistance in Afghanistan in the 1980s and not directly to bin Laden.[9] Bin Mahfouz and his lawyers vigorously denied post-9/11 allegations by US Treasury officials and repeated by authors Craig Unger and Rachel Ehrenfeld, among others, that officials of Muwafaq, an international charity launched by bin Mahfouz in 1991 and headed by Yassin al-Qadi of Ptech, funneled money to al-Qaeda.[10] Their aggressive legal actions caused Unger's British publisher Secker and Warburg to cancel the UK publication of Unger's *House of Bush, House*

of Saud and launched a £250,000 libel suit against the Israeli-born Ehrenfeld under Britain's draconian libel laws. Backed by former CIA Director James Woolsey, who wrote the preface to her book, Ehrenfeld, who had not marketed her book internationally, refused to acknowledge the jurisdiction of the British court over her case. Her countersuit against bin Mahfouz resulted in the passage of the Libel Terrorism Protection Act by the New York State Legislature prohibiting the "libel tourism" afforded by Britain's libel laws and, eventually, the restriction of those laws by Parliament in 2013.[11]

Talat Othman's connections were in fact of equal interest to both the FBI and the US Customs Bureau, and equally embarrassing to the newly elected George W. Bush. Othman, a naturalized Palestinian-American and former president of the Arab Bankers Association of America, formed a close relationship with Bush as a result of the Harken deal and ingratiated himself with Bush's father, then the president. He became a frequent visitor to the White House during George W. Bush's occupancy and delivered a Muslim benediction at the 2000 Republican National Convention in Philadelphia. On September 1, 2001, President Bush conveyed his greetings to an Islamic forum on international business and trade in Chicago, chaired by Talat Othman. Othman's co-chair, M. Yaqub Mirza, a naturalized Pakistani-American businessman and physicist, became the central node in a network of Saudi-backed businesses, charities, and think tanks in Northern Virginia that came under federal investigation for terrorist financing after 9/11. Mirza sat on the board of Ptech and was also chairman of Amana, a Sharia-compliant mutual fund trust for which Othman served as trustee. On March 20, 2002, a US Customs Bureau task force from Operation Greenquest, an interagency investigative unit formed one month after 9/11, raided 14 interlocking entities associated with Mirza and the Saar Foundation, an umbrella of think tanks, charities, and businesses named after its founder, Saudi patriarch Sulaiman Abdul Aziz Al Rajahi. The raids resulted in the arrest of Abdurahman Alamoudi, an employee of the SAAR Foundation who

admitted that he plotted to assassinate the long-ruling Saudi King Fahd, who was sentenced to 23 years in prison.[12] Regardless, Othman, with a group of Muslim activists sponsored by GOP activist Grover Norquist, met with Treasury Secretary Paul O'Neill to complain about the "anti-Muslim" conduct of the raids.[13]

These complex interlocks are described by a vector in the upper-right corner of *George Bush, Harken Energy, and Jackson Stephens*. It runs from Sheikh Khalifah of Bahrain to "Bahrain Oil Deal" to Stephens Inc. of Arkansas to Worthen Bank of Arkansas (also owned by tech and finance entrepreneur Jackson Stephens) to Sheikh Abdullah Taha Bakhsh, from Bakhsh to Othman and to Keating's and BCCI's Paris money laundry, Saudi European Investment Corp., to Main Bank Houston, to Sheikh Salem bin Laden and thence to his brother, Osama. Salem bin Laden is also interlocked with James R. Bath, George W. Bush, President George H. W. Bush, and Jackson Stephens' munificent campaign contributions to the GOP.

By the end of the 1980s, Harken itself was blown up with debt. In 1989, Harken sold 80 percent of a subsidiary, Aloha Petroleum, to a partnership formed by Harken executives who got most of the money for the deal by borrowing from Harken itself in an Enron-patterned transaction that allowed Harken to reduce the amount of debt on its balance sheet and to claim the proceeds of the sale as income. The company won a reprieve when Bahrain, which produces a piddling 42,000 barrels of oil a day, decided to go hunting for more crude. In 1989, Bahrain's oil ministry suddenly and mysteriously broke off promising talks with the oil giant Amoco. One minister then allegedly telephoned Michael Ameen, the respected former head of Mobil Oil's Middle Eastern operations, to ask for a small American oil company instead. Ten minutes later, Ameen says he got a phone call from an "investment banking friend in Arkansas" who recommended Harken.[1]

The "investment banking friend" appears to have been none other than Little Rock investment banker Jackson Stephens. Stephens, a major connecting figure in three groups of Lombardi drawings—*BCCI, Harken*, and *Bill Clinton, the Lippo Group, and Jackson Stephens of Little Rock, Arkansas*—was also a classmate of Jimmy Carter and Stansfield Turner

at the Naval Academy. Interestingly, Stephens did not go into the Navy after graduating from its most prestigious feeder school in 1947 but joined his brother's investment company instead. He made his fortune when he arranged the underwriting for Walmart in 1970, then funded Tyson Food's takeover of Holly Farms. He covered his bets as a financial rainmaker for national politicians from both sides of the aisle and was the single largest contributor to both George H. W. Bush and William Clinton. In the 1980s, then-Governor Bill Clinton of Arkansas rewarded him with 78 percent of Arkansas's public-works bond issues business.

Jackson's help was often problematic for its recipients. When his bank, Worthen, Arkansas' largest, lost $32 million in Arkansas State pension funds through a Ponzi investment scheme and potentially jeopardized the young governor's career, Stephens obligingly covered the entire loss with a personal check that put Clinton forever in his debt. His China-born Indonesian investment partners, Mochtar Riady and his son James, would be convicted of secretly funding Clinton's presidential campaign with millions from the Chinese government, documented in Mark Lombardi's 1999 *Bill Clinton, the Lippo Group and Jackson Stephens of Little Rock* series.[2]

Stephens also had a substantial and ongoing relationship with BCCI. In 1973, he tried and failed to acquire Financial General Bankshares, a Washington-based savings-and-loan owned by retired Army Gen. George Olmstead that was one of a small number of US banks that had been grandfathered to permit interstate banking generally prohibited under the McFadden Act. Olmstead is clearly visible as a node in Lombardi's *BCCI . . . FAB* series. Forced by a Federal Reserve decision to sell out his interests in Financial General Bankshares, in June 1975 he unloaded its controlling interest in the National Bank of Georgia into the hands of banker Bert Lance, a prominent fundraiser in fellow-Georgian Jimmy Carter's 1976 campaign for president. In 1978, when Olmstead was required to sell the rest of his Washington bank, he turned first to Lance, who was more interested in joining Carter's administration as director of

the Office of Budget Management (OMB). Formally prohibited from engaging in financial transactions in that position, Lance nonetheless continued to meet with Olmstead and introduced him to another retired military official, former Secretary of the Navy William Middendorf, who, with a group of 20 investors including Jackson Stephens, former ambassador to Iran Joseph Farland, and Occidental Petroleum chairman Armand Hammer, bought out Olmstead's remaining interest in Financial General Bankshares and installed Middendorf as chairman. By November 1977, Stephens had initiated a shareholder coup and introduced BCCI's Pakistani founder Hassan Abedi to Bert Lance in order to facilitate BCCI's secret purchase of Financial General, which would give Abedi a $2 billion bank in the nation's capitol. It would be rechristened First American Bankshares (as in the title of Lombardi's series) and administered by Clark Clifford, who had been involved in the covert banking system since its inception in World War II, and Clifford's protégé, Robert Altman. When Lance's dealings came to light, the resulting scandal severely damaged the Carter administration.[3]

As late as 2008, journalists still investigating the trail of cocaine smuggling to support Oliver North's Iran/Contra operation in Nicaragua have suggested that Clinton's participation in helping cover up the CIA-Contra coke trafficking that ensnared the Reagan administration helped him gain the presidency in 1992 "with tactical GOP support" during the GOP primaries.[4] Stephens and Governor Clinton were also named in investigations into the death of Barry Seal, executed by the Medellín drug cartel in 1986, allegedly to prevent him revealing details of his activities smuggling tons of cocaine to and from an Arkansas airstrip to aid Oliver North's Iran/Contra operation in Nicaragua. Early in 1984, after years of painstaking investigation, law enforcement agencies including the DEA were prepared to prosecute Seal. Details were kept under wraps by then–US Attorney Asa Hutchinson. But Seal called in "political connections," and his prosecutors allowed him to become an informant instead. Shortly before his death, Seal met with a White House task force on crime headed

by then–Vice President George H. W. Bush. The price of his last-minute deal was that he was to betray his Colombian partners in the Medellín cartel and, ostensibly, to help topple their leadership. Instead, the same judge who shortened his sentence mandated that he attend halfway house meetings unprotected. He was gunned down by cartel members outside one such meeting, shortly before an appointment to testify against the cartel. Upon becoming president, George H. W. Bush made the loyal—and discreet—Hutchinson head of the DEA.[5]

Aside from his connections to Khalid bin Mahfouz, Jackson Stephens also has a peculiar relationship to the tech world inhabited by Yasin Kadi and Yaqub Mirza and their company, Ptech. The story that led Danny Casolaro to "The Octopus"—the theft of its sophisticated surveillance software PROMIS from Inslaw, its relation to the Whitewater scandal that dogged Bill Clinton's career, and its use to launder money for the Iran/Contra arms-and-drugs transactions flowing through Arkansas—leads back to another Stephens-controlled company, Systematics, which allegedly took over the stolen software. In 1995, a post by the controversial J. Orlin Grabbe charged that Systematics had modified the PROMIS software for sale to private banks, with attendant back doors to allow the NSA to spy on banking operations.[6] The same allegation would be repeated, in the conspiratorial nether reaches of the Internet, regarding the software designed by Ptech in use by the FAA on 9/11.

CLINTON–MARC RICH–BRUCE RAPPAPORT–BNY–GRAMM-BLILEY

In the last year of his life, Lombardi once again broke Sissy Farenthold's golden rule of not criticizing the powerful in her own party, in two series of drawings criticizing the campaign finance and other financial activities of President Bill Clinton. *Bill Clinton, the Lippo Group, and Jackson Stephens of Little Rock, Arkansas* and *Bill Clinton, the Lippo Group, and China Ocean Shipping Co*. both focus on the heavily intertwined political and financial connections between Clinton's White House and Jackson Stephens's Indonesian business partners, the Riady family, whose shipping conglomerate, the Lippo Group, contributed heavily to Clinton's 1992 presidential campaign and opened his presidency to accusations of foreign influence-peddling.

One of the major nodes in the *BCCI* series is another Clinton embarrassment, the commodities dealer Marc Rich. Some journalists suggest that Clinton's seemingly inexplicable pardon of the reprehensible Rich, dubbed "the King of Oil" by his business partners, may have had at least something to do with the superior intelligence provided by Rich's vast web of contacts in the oil business he built by doing business with pariah regimes.[1]

Described as "one of the world's greatest and smoothest villains" by journalists who knew him, the Jewish, Belgian-born Rich, whose parents fled the Nazis and emigrated to the United States in the 1930s, was useful to both the CIA and Mossad because of his ease in trading with dictatorial and often closed regimes such as Castro's Cuba, Marxist Angola, Qaddafi's Libya, Ceausescu's Romania, and Pinochet's Chile. He proudly told his biographer Daniel Amman that he had made his most important and profitable business deals by violating international trade embargoes and doing business with the apartheid regime of South Africa (documented in Lombardi's *BCCI* series).[2] In 1973, he used his Middle Eastern contacts to circumvent the Arab oil embargo and buy crude oil

from Iran and Iraq, which he then sold on to supply-starved US companies at double the $12 per barrel he paid for it. After the Iranian revolution of 1979, Rich called on his "special relationship" with Ayatollah Khomeini to circumvent the American embargo and buy oil from Iran, even at a time when Iranian revolutionaries were still holding Americans hostage. "If you are too proud," he told Amman, "You don't do business." Iran continued to be Rich's most important supplier of crude for the next 15 years, and he bragged to Amman how he singlehandedly kept both Israel and South Africa alive on smuggled oil throughout the apartheid sanctions of the 1970s and 1980s, not neglecting to make himself $2 billion in the process. Not only did he bring oil from Iran and Russia to his customers; he also performed the much-needed task of converting it into foreign currency for them, utilizing Sindona's legerdemain with currency swaps. Because of his closeness to Khomeini, he also helped both the CIA and Mossad by procuring contacts for Mossad agents in Iran.[3]

Rich claimed to have invented the spot market for crude oil in the early 1970s when he and his partner Pincus Green became trading legends at Philipp Brothers, the commodities arm of Salomon Brothers. The two were able to draw business away from larger and more established competitors by the essential insight—which Rich shared with Sindona, one of his associates—that oil and other raw materials could be traded with less capital, and fewer assets, than thought possible by the more traditional oil giants, who relied on long-term contracts for future purchases. The highly leveraged, not to say Ponzi'd business model Rich patented became the template for modern traders. Glencore, the opaque and complex commodities giant he founded in 1974, is today considered by many analysts the Amazon of the commodities trade.

Nevertheless, in 1983 Rich and "Pinky" Green were indicted on 65 criminal counts, including "trading with the enemy," in (at that time) the biggest tax-evasion case in US history, filed by the crusading federal prosecutor and future mayor of New York Rudolph Giuliani. They fled

the United States in 1983. Rich, who hid out in plain sight in Zug, Switzerland, for the next 17 years, occupied his time in the 1990s by facilitating the great commodities grab in the former Soviet Union, laundering the money of the *nomenklatura* (the former Communist Party ruling class) out of Russia and into the mainstream economy, and assisting in the creation of the oligarch class, particularly those who found their way to Israel.[4] That information is conspicuously omitted from Amman's respectful biography and remained unreported by most Western journalists, except by the recklessly brave Paul Klebnikov, chief editor of the Russian edition of *Forbes*. Klebnikov used his extensive knowledge of the Russian press to write *Godfather of the Kremlin*, an exhaustively researched profile of how Rich's example helped oligarch Boris Berezovsky bankrupt the emerging Russia by facilitating capital flight through international "spot markets" in oil, aluminum, zinc, grain, and other raw commodities.[5] Yeltsin's deputy minister for fuel and energy, Mikhail Khodorkovsky, also worked closely with Rich.[6] The easiest way to hide the massive amounts of money the KGB and Central Committee shipped abroad between 1989 and 1991—a period when most of the Soviet Union's $45 billion in gold and foreign exchange reserves disappeared—from currency transfer and tax reporting at foreign banks was through the kinds of foreign trade contracts Rich was so adept at rigging. Klebnikov was murdered in July 2004 outside his Moscow office, four years after the book's publication. The organizers of the murder have yet to be identified.

On January 20, 2001, in his last and possibly his most controversial presidential act, Bill Clinton pardoned Rich in a decision even he later publicly regretted by admitting that it wasn't worth the damage to his reputation. Why the usually canny Clinton committed such an act, destructive to not only his but to his wife's future career, remains unclear. Amman says that while Clinton's pardon may have had something to do with more than $1.5 million in contributions from Rich's extremely friendly ex-wife Denise, Israeli pleas for clemency from Ehud

Barak and Shimon Peres were also a factor. Rich's and Green's special pleader before US prosecutor Rudolph Giuliani was Rabbi Ronald Greenwald, who had himself been investigated by the FBI for defrauding the Dunes casino in Las Vegas out of more than $1 million. Greenwald told Giuliani (who at the time was not impressed) that the two fugitives were great humanitarians because of the vast sums they donated to Israeli charities.[7]

Another, unquantifiable factor was the secret help Rich may have given US intelligence. Since commodities trading is usually done by governments in the countries considered the most difficult to trade with, Rich's people, working with local authorities, were often the best intelligence contacts available. The Mossad, the CIA, the KGB, and many other intelligence agencies considered Rich's information to be solid gold.[8]

As we have noted, the profitability of the drug business had alerted the entrepreneurs of the CIA to the possibilities offered by the other aspects of the commodities business at large. Laundering the drug profits of pariah regimes through the enhancing mechanisms of derivatives promised even greater margins. The private, covert banking system grown from Paul Helliwell's Castle Bank in the 1960s to BCCI in the 1980s provided an additional layer of protection for trade in drugs, arms, and, eventually, oil that truly allowed "traders at all levels enormous incomes that they can use to insulate themselves from any attempt at suppression."[9] In the 1990s, the enormous wealth of Russian oil, aluminum, and other mineral commodities would be added to the pot—and another major US bank would be blown up.

Even more than drugs, oil was where the money was. The oil business had by now become instrumental in welding undercover work and American business together, the underlying theme of Mark Lombardi's drawings. In the 1960s, the CIA used George H. W. Bush's oil company, Zapata (also used as a CIA codename), both as a cover for CIA agents and as a conduit for funds to set up training facilities and invasion launches

against Cuba, all under the guise of oil contracts. Bush also placed CIA agents as executives in PEMEX, the big Mexican national oil corporation. One CIA asset who became central to a spy ring at the heart of the Mexican government, Bush's business partner Jorge Diaz Serrano, eventually became the head of PEMEX and a close associate of Ted Shackley's when Shackley took over the CIA's PEMEX franchise in the late 1970s.[10] Much of Shackley's relationship with Kamal Adham, the head of Saudi intelligence and the driving force behind BCCI, was predicated by his desire to get into the oil business.[11]

In Vietnam, Shackley had made a connection that would allow him to later add oil to his portfolio—Michael Corrie, a Shell Oil executive based in Saigon during the Vietnam War. John Deuss, a brilliant Dutch commodities arbitrageur who was Marc Rich's chief competition until his sudden downfall in the 1990s, made Corrie president of his Transworld oil company in the early 1970s. In 1979, as Shackley segued away from the CIA, he entered Deuss's employ. Deuss hired Shackley's political risk analysis group, Research Associates International, to move shipments of Omani and Saudi oil to apartheid South Africa, thereby cutting into Marc Rich's turf. According to Shackley's biographer, David Corn, Deuss was Shackley's principal client and they were South Africa's main supplier in a 60-million-barrel-a-year deal.[12] Deuss paid Shackley a minimal retainer of $100,000 a year to come up with "information not freely available," such as what was going on in embargoed Iran that might affect that nation's oil yield. Corn says Shackley's work with Deuss is what led him into "the most serious scandal of the post-Watergate era."[13] Shackley's initial meetings with the Iranian principals of a "countertrade" transaction, in which Iran was to sell crude oil to a Portuguese company that in turn was to supply weapons to Iran, led to meetings with ex–brigadier general and head of counter-terrorism at SAVAK Manucher Hashemi, and another Manucher Ghorbanifar, a former SAVAK agent who was also considered an Israeli intelligence asset. Ghorbanifar came highly recommended by Mossad despite his

reputation for fabrication. The subject of their conversations, bartering with the sale of TOW weapons to Iran through Israel for the freedom of CIA Beirut station chief William Buckley, was an outstanding failure.[14]

Rich, Deuss, Bruce Rappaport, and Pakistani shipping magnate Abbas Gokal (who sat on the board of Rappaport's Swiss subsidiary, Bank of New York-InterMaritime) all trafficked oil to South Africa, sometimes collaborating and sometimes competing. A number of journalists and Washington insiders considered Rappaport, part-owner of the Bank of New York, an ex officio intelligence agent, particularly *Time*'s Jonathan Beatty and S. C. Gwynne, who place him in CIA Director William Casey's outside-CIA clique of buccaneers in their book *The Outlaw Bank: A Wild Ride into the Secret Heart of BCCI*. Casey and Rappaport's relationship dated back to Rappaport's role in plundering the oil business in Indonesia in the 1960s. An attorney by training, Casey represented Pertamina, Indonesia's national oil company on which the resource-rich and cash-poor nation's economy rested and which caved in when Rappaport and other buccaneers looted it.[15] Rappaport also figures in Mark Lombardi's WFC series, in close proximity to several savings-and-loan banks favored by Hernández-Cartaya.

Gwynne and Beatty assert that Rappaport played a key role in channeling CIA financial aid to the Afghan rebels fighting Soviet troops, a 1980s program constructed by Casey, and that the money for the very significant intelligence operation, which included the young Osama bin Laden, came from Saudi Arabia. The key institution through which it flowed was the National Bank of Oman, jointly owned by BCCI, the Bank of America, and Sultan Qaboos of Oman. Rich, Deuss, Rappaport, and Gokal all banked there.[16]

In a historic interlock relative to the founding of the Enterprise, the first American to cultivate the long-reigning Sultan Qaboos was Black Eagle czar Robert B. Anderson. Anderson said he "labored to bring Sultan Qaboos and the Saudi royal family together" and is generally credited with the "eventual establishment of diplomatic relations between the two

countries."[17] Deuss was considered the heavy hitter in Oman until, in 1995,[18] Qais Zawawi, the CEO of the National Bank of Oman and Deuss's point man in Oman, was killed in a mysterious car accident in a Land Rover driven by Sultan Qaboos.[19]

In 1997, Abbas Gokal, convicted of defrauding BCCI of $1.2 billion and thereby causing the rogue bank's collapse, became the only major BCCI figure to serve a substantial prison sentence. He was said to have information about corrupt US politicians and officials, which he had been willing to trade for a favorable plea-bargaining deal. Gokal and Rappaport, who was also instrumental in letting the Russian *mafiyeh* into the Bank of New York, form nodes in Lombardi's damaged *BCCI* master-drawing.[20] Bank of New York, part-owned by Rappaport, interlocked with BCCI through Rappaport's Swiss banking activities. Alfred Hartmann, who also appears as a BCCI node, was both vice chairman of Rappaport's Swiss bank, the Bank of New York-InterMaritime, and also head of BCCI's Swiss subsidiary, the Banque de Commerce et des Placements. The mysterious E. P. Barry, an OSS veteran who had overseen the recovery of Nazi gold before becoming Paul Helliwell's banking partner, was also a major InterMaritime shareholder, further linking Rappaport to the Enterprise.[21]

Apparently, the choice to partner with Deuss was one of the few miscalculations that the normally foolproof Shackley ever made, and perhaps vice versa as well. The sudden and inexplicable enmity of the Clinton administration toward Deuss may have been linked to 1996 election politics and to Shackley's suspected interference in the US electoral process on behalf of Republican candidates. Equally, it may have been linked to Deuss's own miscalculations in Russia. It is unclear whether Deuss relied entirely on Shackley's company for intelligence on Russia. Given the ex–Cold Warrior's entrenched antagonism to all things Soviet, it seems unlikely that his Russian informants would be of the highest caliber. However, in the earlier days of the great commodities gold rush, Deuss made a deal with the Soviets that went seriously awry.

The Soviets claimed he defrauded them of hundreds of millions of dollars, and essentially closed him out of the greatest resource grab of the 20th century,[22] leaving Rich and his close associate Bruce Rappaport the go-to guys for information, contacts, and moneymaking regarding Russian oil and other resource wealth. When Rich fell out of favor for gouging the oligarchs, Rappaport continued to provide them banking services. This, again, would have serious repercussions for the US banking system when Rappaport introduced the Russian and Ukrainian Mafia to the Bank of New York, the nation's 11th-largest bank at the time.

Rappaport ushered in the next great American banking scandal, the near-death of the Bank of New York—the reincarnation, as we have seen of the Texas oilmen private CIA bank, Empire trust—in the summer of 1999. It was to be the last year of Mark Lombardi's life.[23] Rappaport and his interlocks show up as an extensive hub in Lombardi's water-damaged *BCCI* version, indicating the artist regarded him as a scandal on his own and may have been contemplating a separate drawing or series of drawings in the near future. Lombardi's numerous file cards on Rappaport and his connections also support that theory. In the summer of 1999, Transparency International came calling, and the ever-competitive artist was casting about for ways to beat his own best performance. Rappaport and Rich would have been a magnificent subject.

While Rich provided the spot market for oil and aluminum for the emerging oligarchy of the former Soviet Union, Rappaport, who also had a strong affiliation with Israeli intelligence, provided them with banking services. Rappaport's Swiss subsidiary, BNY-InterMaritime, served as the "initial wedge into Russia" and the internal grab for its immense oil and mineral resources when it presumably opened to the West, particularly into the oligarchs' exclusive Stolichny Bank, which opened a major account with the Bank of New York in March 1992. Russia's hardly irreproachable security services attempted to prove that the bank's biggest customers, who included many of Putin's enemies such as Boris

Berezovsky, Mikhail Khodorkovsky, Anton Chubais, and Vladimir Guzinsky, were gangsters. Block and Weaver say, "Of course it was all too evident that [the bank] dealt with underground elements, particularly in its early years, and facilitated the laundering of their money. More to the point, the security services were fully aware and were likely . . . to try to become hidden partners."[24] However, the hub of criminal money-laundering at the Bank of New York was unmistakably the Ukrainian organized-crime godfather Semion Mogilevich, who held accounts at the Bank of New York's London operations under a shell company.

Born in the Kiev ghetto in 1946, after an early career in foreign-currency fraud and other crimes Mogilevich established a petroleum import-export company called Arbat. Like many Russian and other mobsters, he immigrated to Israel as soon as the Wall came down in 1990 and became a citizen, using the country as a base from which to launch a global criminal empire built on arms and human trafficking.[25] "Accounting problems" at a number of companies in Mogilevich's syndicate triggered investigations into the Bank of New York as early as 1997. But the scope of the problem was much larger. The law firms who eventually sued the Bank of New York maintained that organized crime controlled virtually every major Russian bank by 1994; and that, in a process identical to the organized crime "bust-out" Pete Brewton described in Texas a decade earlier, provided vehicles for laundering organized crime proceeds while the same proceeds supported seemingly unlimited bank expansion.

The Bank of New York's senior executives were hugely successful in selling the bank's high-speed wire transfer services and its ability to route US dollar-denominated currency to a web of offshore banking entities to Russia's largest new banks, which investigators say were all criminally controlled.[26] Rappaport's representatives allegedly incorporated the Bank of New York's wire transfer system into an extraordinarily complex web of literally hundreds of offshore entities designed to conceal the movement of money out of Russia, and they

commissioned the development of an electronic system for encrypting communications among conspirators. This "global custody system," utilized not only by banks but by Russia's largest industrial enterprises, each in turn developing its own offshore network, created a Russian Enterprise. It interlocked to the real one through Rappaport and through Rich, and it provided access to the untapped wealth of the former Soviet Union where the Italian Mafia—and its banking system—had been shut out.[27]

Only a few weeks before his death, Mark Lombardi complained to his dealer that, if he had to add yet another episode to the "one continual drawing" in his head, his head would explode. The addition of the Russian *mafiyeh* made that pressure understandable. The Chechen and Ukrainian mobsters, according to Klebnikov, thought the Italians were pantywaists. However, they interlocked with both the Italian Camorra and the Japanese yakuza through the figure of Ukrainian godfather Semion Mogilevich, the central money-launderer at the Bank of New York and, according to *Foreign Policy* magazine, now one of the world's 500 most powerful people.[28] In partnership with the Camorra, Mogilevich entered the arms industry in Europe, where his profits from drugs and prostitution have enabled him to legally purchase virtually the entire Hungarian armaments business.

The interlock between the Russian mob and the Italians in America was a Genovese crime family associate, Murray Wilson, whose consummate money-laundering talents earned him the FBI title of a modern Meyer Lansky. Wilson's patron in the Genovese family in the Bronx was underboss Venero "Benny Eggs" Mangano, who began his career as a soldier with Lucky Luciano and rose to oversee the family's multibillion-dollar-a-year racketeering enterprise. A pugnacious right-wing Jewish militant who was active in resettling recent Russian Jewish émigrés from the former Soviet Union in Brooklyn, Wilson quickly realized many of them were not downtrodden Jewish dissidents but thieves and hit men—talent he could train. Wilson's insight proved a

windfall for the Genoveses, who were impressed at the Russians' growing adeptness at bilking financial markets. The up-and-coming generation acquired MBAs and got jobs on Wall Street. Eventually, said journalist Robert Friedman, who extensively studied both the West Bank Jewish settlements in Israel and the Russian mob in the United States, Wilson would assist "a second generation of Russian racketeers to become a financially sophisticated global peril.[29]

On November 12, 1999, only four months before Mark Lombardi's death, "Benny Eggs" Mangano's protégés were handed an early Christmas present by President Clinton's other most questionable legacy. Two months before he pardoned Marc Rich, Clinton hastily signed the Gramm-Leach-Bliley Act. Otherwise known as the Financial Services Modernization Act of 1999, the legislation repealed the guts of President Roosevelt's anti-speculative Glass-Steagall Act of 1933. It made wholesale looting of the US economy, previously judged too big to fail, so much easier. It removed barriers in the market among banking companies, securities companies and insurance companies that prohibited any one institution from acting as any combination of an investment bank, a commercial bank, and an insurance company. The collapse of American International Group, more familiar as AIG, the 42nd-largest public company in the world, a major contributor to the global financial crisis of 2008, would be a direct consequence. It also opened the way for the heaviest hitters, notably JPMorgan Chase and Goldman Sachs, to enter into not only trading commodities such as oil and aluminum but physically storing and hoarding their stocks to manipulate futures and drive prices higher, a scheme that would have an impact on the most essential feature of the Federal Reserve's job, its ability to gauge inflation.[30] The stage for the global financial crisis of 2008 was set, and Mark Lombardi would have been there to document it had not his untimely death intervened.

EPILOGUE:
THE AFTERMATH OF MARK LOMBARDI

IN 2008, EIGHT YEARS AFTER THE PASSAGE OF PRESIDENT BILL Clinton's Financial Modernization Act, the nation and indeed the world faced the spectre of a 1930s-style economic collapse brought on by the rampant speculation in subprime mortgages that triggered the collapse of Lehman Brothers. In 2009 the eminent economist Hernando de Soto grabbed headlines by announcing that the "aggressive financiers" behind the Lehman debacle had manufactured as much as $1.2 quadrillion worth of new derivatives in mortgage-backed securities, collateralized debt obligations, and credit default swaps—a staggering figure that dwarfed total world domestic production at $170 trillion. De Soto, who advises heads of state in twenty countries on matters of property reform, drew his incredible figures from the Securities and Exchange Commission and the Bank for International Settlements. He estimated that the figure for subprime mortgages alone, "nominally valued at some $600 trillion or more," was worth twice as much as all the rest of the world's legal paper vested in cash, traditional financial assets, or property.[1]

De Soto's statement is somewhat confusing as his numbers appear to be based on those of the Bank for International Settlements, which values derivatives in notional, not nominal, amounts. Financial literature on the difference between the two can be difficult to follow, as in "The notional amount of a derivatives contract refers to the value on nominal amount of the underlying to the derivatives contract." (Deutshe Borso Group). The Global Derivatives Market: An Introduction" One of the simpler ways to distinguish between them is that the notional value represents the total value of a leveraged position's assets. Notional value is dynamic, sliding

up and down usually according to interest rates over the life of the contract, which can be as long as 10 years; Nominal value corresponds to market value at a fixed point in time and is usually significantly lower. However, it is important to remember that derivatives contacts commonly trade on notional value allowing the institutional investors who trade them to offset more risk and accumulate more leverage thus leading to the ballooning numbers De Soto and others cite. Transition costs, by which banks which are the charging for derivatives make their fees are also calculated on notional value.

De Soto's newsflash followed hard on the heels of a widely-quoted speech by Treasury Secretary Timothy Geithner blaming the 2008 financial crisis on a run on the ballooning shadow-banking system and the failure of government to give regulators enough legal power to rein it in.[2] Wall Street hyperventilated when Geithner outlined the Obama administration's plans for fixing the financial markets, but it recovered when the new regulations did not even include rescinding the Financial Modernization Act and restoring the anti-speculation firewalls set up in President Roosevelt's 1933 Glass Steagall Act.

De Soto found relief in the notion that "Finally, policymakers in the White House seemed to be coming to grips with the real enemy," i.e. the debasement of legal credit vehicles by derivatives. Ironically, his gold standard for "sorting" out toxic paper was the post-World War II period, particularly that of Japan.[3] Even steeply discounting the Seagraves' more radical estimates of the amount of financial weapons of mass destruction derived from Black Eagle gold unleashed upon the world, the four years immediately following the cessation of military hostilities saw not only the creation of the CIA and the onset of the Cold War but the invention of classic hedge-fund technique by a sociologist-turned-investment manager named Alfred Winslow Jones, who set up a fund that used mathematical modeling to bet on prices going both up and down in ways supposedly certain to produce a positive result.[4] The coincidence of these factors was certain to produce at the very least a major market-mover in derivatives

investment backed by Black Eagle gold, if not the ballooning distortions in the world's banking system depicted in Lombardi's drawings.

LOMBARDI EARNED HIS highest marks of deconstructionist art criticism by making the "real-world invisible" visible.[5] Even World Bank economists call researching the flows of hot money he depicted "knowing the unknown."[6] It seems unfair to criticize an artist—as some professional investigators, critics, and even other artists do—for not providing a smoking gun in the form of a canceled check or other written transaction record, when his work reflects the fact, commonly noted in economic studies of the underground economy, that the "general penchant to hide underground activities often precludes direct observation of their occurrence, necessitating the use of indirect measures."[7]

Lombardi has in fact sketched a problem in the discipline of economics, where little or no consensus exists on how to measure the size of what is commonly referred to as the "shadow" or "underground" economy, or even on how to define it. Just as the term "hot money" can mean either money derived from criminal activities or money that flows from one country to another in order to earn a short-term profit, the popular term incorporates "a wide range of economic activities that encompass the production and distribution of illegal goods and services, as well as legal activities whose concealment from or misrepresentation to government authorities involves tax evasion or benefit fraud."[8] Commonly used working definitions of the shadow economy include both "all currently unregistered economic activities that contribute to the officially calculated (or observed) Gross National Product" and "market-based production of goods and services, whether legal or illegal, that escape detection in the official estimates of GDP." However, one of the broadest definitions, "those economic activities and the income derived from them that circumvent or otherwise avoid government regulation, taxation or observation," includes the contemporary activities of the world's largest banks.[9]

It is of course difficult, if not impossible, to accurately measure what the Black Eagle trust might be worth today, as we can only guess at how much it was and at how it was invested. The Seagraves' ballpark $44 billion in 1944 dollars seems like a conservative working estimate given the size of the $43 billion award in a 1994 court case based on the recovery of only a portion of the plundered gold, *The Supreme Court of the State of Hawaii, Roger Roxas and the Golden Buddha Corporation v. Marcos, Nov. 1, 1998*. As we have seen, $44 billion in 1944 dollars, invested in the stock market, would be worth about $56 trillion in 2015 dollars. If, however the treasure had remained in bullion, it would only be worth about $1.56 trillion today, as the price of gold was appreciated approximately 35.5 times since 1945. One financial source consulted independent of the Seagraves' work said that the easiest way to hide and then deploy a sum of such magnitude would be to deposit it at fifteen of the world's biggest banks, where it could be commingled with the banks' capital and then fanned out into further investment, which might even include buying the banks' own stock.

For quite a while after 1947, the gold itself would not appreciate in value as the price of gold was fixed. It was in 1971, when President Nixon got rid of the gold peg and the Black-Scholes model legitimatized the widespread use of derivatives in finance, that investment opportunities began to multiply. I, like Mark Lombardi, am a financial layperson. Using the same open-source tools that he might have used, e.g. charts from the St. Louis Federal Reserve available online, I tried to create a picture of what the Black Eagle funds might be worth today, and, more importantly, what proportion of the notional derivatives market it might represent, unreconstructed political agenda and all.

The most conservative valuation came from compounding the principal plus interest derived from the yield on the 10-year U.S. Treasury bond from 1971 to 2015 in 1945 dollars. The figure arrived at, $177.5 billion, represents a multiple of approximately 4.035 times the original sum (which can also be used to calculate the opportunity cost of

investing in derivatives or any other financial instrument). No big deal in terms of the $1.2 trillion derivatives markets described by Hernando de Soto and the Bank for International Settlements, you might say. But when the charts for another highly conservative investment strategy are applied, the numbers begin to alter significantly. If $44 billion was invested in a passive S&P index-tracking fund for the same period of 1971 to the present day, it would multiply by almost 75 times, to $3.3 trillion. If the base is calculated according to the price of gold, the sum would be over $9.9 trillion. And, if nominal assets of $3.3 trillion—or indeed, $9.9 trillion—in a stock portfolio valued at the right time in the stock market were invested in derivatives at the right time (say, in 1980, 1985, or 1989, when stock market returns topped 31% and the use of derivatives was booming), they could indeed come to represent a significant proportion of the notional amount of the OTC or subprime derivatives markets. This estimate is based on a recent examination of one out-of-the-money bond options trade made by hedge fund manager Bill Gross in which his options were worth four times the value of the bonds themselves.[10] Until they weren't, a perennial problem in derivatives investing which depends on not only how smart but on how lucky you are: many derivatives options are worth zero by the time they expire and even Gross, a man not given to modesty, later admitted his trade was an unprofitable one.[11] The reason for the trade's failure was an unanticipated move in treasury rates, in this case German ones.

Why would any reasonable investor—even if she's a corporation—want to trade a perfectly generous return for much higher risk? Simply because she can is one answer. Pools of money on the order of the Black Eagle trust have access to financial opportunities that lesser investors do not, opportunities that can generate eye-popping returns at least on paper plus a monopolistic control of the marketplace, not only in financial products but in land, resources, and, through technology investment, the future itself. One conspicuous example in all four of those categories is a plan to build an entire new city in the water-starved environs of

Albuquerque, New Mexico, backed by one of the chief culprits in derivatives benchmark-fixing, the British bank Barclays, which already owns the underlying land. The "master-planned community" for nearly 100,000 people on what is today a field of sand dunes would guzzle upward of 12 million gallons of water a day in an area where every drop is already fiercely contested between farming, irrigation, and the needs of the people who already live there. Barclays acquired the properties by foreclosing on them in 2007 and has planned the project to realize a profit on them; the irony is that Albuquerque is a low-growth area, and other planned communities have been unsuccessful. Nonetheless, developers are already planning a rash of similar projects for the drought-stricken Central Valley of California. Presumably, the nation will learn to subsist on Soylent, a food substitute invented by Silicon Valley.[12]

Another example, specifically of the degree of political control that can be exerted by derivatives bullies, is that of vulture fund billionaire Paul Singer. Known for brilliantly complex and predatory financial maneuvers, Singer and his fund, Elliott Management, have led a small group of hedge fund bondholders in suing Argentina in US courts to get full payment on bonds that the country defaulted on in 2001, even though the majority of bondholders settled for less than they were owed because of Argentina's financial difficulties. In 2012, a Manhattan federal district judge ruled that Argentina could not service its restructured debt without paying Singer and his gang of holdouts at the same time, thus preventing Argentina from regaining access to global debt markets to service its debt and energy imports, and exacerbating its problems. In 2014 Argentina defaulted again, triggering the credit default swaps derivatives on those bonds and a possible profit for Singer. The lawsuits are at an impasse as Argentina's president has announced she will not bow to "extortion." The US State Department has warned Federal District Judge Thomas Griesa that Singer's legal tactics would imperil sovereign bailout agreements worldwide. In fact, in 2012 Singer joined fellow vulture investor Kenneth Dart in exacting a huge payout from the Greek government during the

euro crisis by threatening to create a mass default of banks across Europe. He has already mounted legal attacks on JP Morgan Chase, Citibank, Bank of New York Mellon, and UBS to demand the money Argentina has paid them over the past decade. According to author Greg Palast (*Vultures' Picnic*), President Obama could easily stop Singer in his tracks by invoking the "Separation of Powers" clause in the United States Constitution and prevailing on Judge Griesa to drop Singer's suit on the grounds that it interferes with the president's sole authority to conduct foreign policy. The reason Obama hasn't acted, Palast says, is because Singer, the biggest single donor to New York Republican causes, has channeled his billions into warchests devoted to vicious political attack ads.[13]

An unprecedented expansion of the $600 trillion-plus asset-backed securities market, in which banks repackage mortgages and other securities and sell them to investors, lay at the heart of the 2008 financial crisis; yet when the final version of Reg AB II, one of the many rules that Congress ordered up in the 2010 Dodd-Frank Wall Street Reform Act, came out last year, the disclosure rules had been stripped out, particularly those regarding banks' sales of asset-backed securities to investors on the unregulated private market. It is still easy for banks to stash mountains of securitized loans in off-balance-sheet vehicles based in the Cayman Islands. Indeed, derivatives have become the new heroin for the financial world as the world's biggest banks have become addicted to boosting their performance ratings by hiding their exposure to the same kinds of risks that swamped them in 2008. According to Sheila Bair, former Federal Deposit Insurance Corporation chairwoman, a lion's share of banking business is going into private markets, where regulations still provide little or no visibility.[14]

Even credit default swaps, the villains of the subprime drama, are creeping back into widespread use. Recently Deutsche Bank, another money-center bank fined $55 million for "accounting errors" related to some crisis-era CDS derivatives, kept turning them over into new, more

complicated derivatives until it ended up making almost $100 billion on the original pot of investors' $8.5 billion by essentially selling derivatives on its derivatives to itself.[15] The Securities and Exchange Commission waived all penalties that would have prevented the criminally offending banks from repeating their offenses in exchange for pleading guilty.[16]

It is difficult to avoid the observation that Lombardi's drawings make visible: that since the 1970s, criminals have warped the world banking system to their own bent. R. T. Naylor's prediction of the "mass criminalization of the financial business" and the worst fears of Interpol chief Raymond Kendall have both come to pass. The Mafia has succeeded in its long-term goal and has integrated its underground economy with that of the overground.[17] True to Michele Sindona's early prediction, the former has thrown sand into the "immense and recondite machinery" of the latter,[18] the more so since even the biggest money-center banks have by now adopted Sindona's own best standards and practices. Citigroup, JP Morgan, Barclays, and Royal Bank of Scotland have all pled guilty to anticompetitive bid-rigging and other anti-trust charges related to foreign-exchange rates. An unprecedented number of major banks face criminal charges.[19] Since the early 2000s, the LIBOR, the Brent oil window, the ISDA fix (a worldwide common reference value for fixed interest rate swaps in various currencies collected daily by the International Swaps and Derivatives Association and Thomson Reuters), the London gold fix—all of the major pricing mechanisms for calculating government economic policy as well as commercial decisions—have been discredited because of manipulation by self-interested traders. In the case of the gold fix, designed to not only fix a price for settling contracts between members of the London bullion market but to provide a recognized rate to benchmark pricing for the majority of gold products and derivatives throughout the world, an employee of Barclays (which took over the fix from N. M. Rothschild & Sons) manipulated the process to prevent a derivative previously sold to a client from leading to a

payout. Barclays traders also led the pack in the online chat rooms dubbed "The Cartel" and "The Bandits Club" in which major banks colluded to fix the all-important LIBOR, the dominant interbank lending rate benchmark used to peg not only trillions of dollars worth of derivatives contracts but floating rate loans, mortgages, and other staples of the housing economy as well. Although the culprits have agreed to pay fines currently amounting to some $26 billion, the amount is a mere bagatelle compared to the hundreds of trillions of dollars vested in the notional value of these derivatives.[20]

Most if not all derivatives contracts are predicated on interest rates because derivatives, to a great extent, are time-based. Interest rates set a valuation on derivatives products as they measure opportunity cost, i.e. the profit foregone by putting money into product A when money could also theoretically be made by investing in product B.[21] Manipulating these rates, particularly in the interest of protecting derivatives investment, does indeed gum up the "immense and recondite" financial machinery of the world. The interest rate derivatives market (in which the underlying asset is the right to pay or to receive a notional amount of money at a given interest rate) is the world's single largest derivatives market. The Bank for International Settlements (BIS) estimated that in June 2012 the value for over-the-counter interest rate derivatives contracts (in notational terms) totaled $836 trillion; 90 percent of the world's top 500 companies now use them to control their cash flows.[22] The BIS informed the author that "derivatives embedded in loans, securities, and other on-balance sheet assets (e.g. credit-linked notes) do not fall within the scope of our OTC derivatives statistics and are therefore not reported to us unless they are a derivative instrument that must be treated separately under FAS 133 or IAS 39."[23] This means that the $836 trillion in outstanding derivatives positions reported to the BIS in June 2012 did not include the subprime mortgages market, which De Soto estimated in excess of $600 trillion in 2009. Since so many of these instruments—a vertigo-inducing assortment of interest rate swaps, caps,

swaptions, bond options, forward rate agreements, futures, money market instruments, foreign exchange swaps, constant maturity or constant Treasury swaps, interest rate swaps based on two floating interest rates, strips of collateralized mortgage obligation, inverse floaters, and the aptly-named "Bermudan swaption"—do not trade with any degree of transparency. Since these positions are now so immense, it is reasonable to infer that at least one reason why the Federal Reserve has tried to keep interest rates so low for so long is to avoid upsetting the derivatives markets and the related hedge books of banks and other corporations.

It is instructive to examine some political/economic genealogy in this context, in terms of the dynastic wealth accumulation represented by the particular interlocks Mark Lombardi drew, which together represent what Bank of England chief economist Andy Haldane might call a "system of systems," the hyper-connected—one might say interlocked—post-globalization economy of today in which one too-big-to-fail entity can hold the rest of the economy hostage. Interlocks are also time-based instruments, as over time weaker entities are gobbled up by stronger ones and surviving board members or their equivalents rise to the top of the system that an interlock represents. In the summer of 2007, Jeb Bush, grandson of Prescott Bush, left public office with what *The New York Times* called "an unapologetic determination to expand his wealth." One of his first stops was an old Texas intelligence/banking interlock, the now-beleaguered house of Lehman Brothers, which hired him as a paid advisor for unspecified millions to make use of his family connections in persuading the world's richest man, Carlos "Slim" Helú, to invest in the firm. Bush's attempt at a private Mexican bailout was unsuccessful, but Lehman's chief executive, Richard Fuld, then enlisted him to discuss the possibility of asking Bush's brother George, then still president, to prevail on British Prime Minister Gordon Brown to allow an emergency merger between Lehman and a British bank. Barclays, the same British bank that would face criminal charges in 2012 for fixing the LIBOR and other crucial benchmarks for the pricing of derivatives, eventually took

over much of the firm when it went into bankruptcy. It retained Jeb Bush as a consultant at a salary in excess of $1 million a year.[24] Bush's cousin, George Herbert Walker IV, a former Goldman Sachs partner who ran Lehman's asset management division, became chairman and CEO of Neuberger Berman, an independent wealth management company; Neuberger merged with Lehman in 2003, surprising long-time clients who had been informed that Neuberger's emergence from the ashes of the Lehman bankruptcy was a partner buyout. Jeb Bush left Barclays in December 2014, shortly before announcing his ambition to run for the U.S. presidency. Some pundits considered that his business record might be a liability.[25]

It is a fitting crown for the "King of Irony" Mark Lombardi that the problems, if not impossibility, of quantifying the dizzying proliferation of "financial weapons of mass destruction," as market guru Warren Buffett described derivatives, has led fund managers to deploy the post-Modernist language of art in risk analysis. One of them, Christopher Cole, who heads up a volatility fund called Artemis Capital Management, actually quotes Lombardi's role model, Jean Baudrillard, in a piece by one of the most perceptive and fluent financial writers today, the *FT*'s Izabella Kaminska, who has followed the idea of the world economy as a hyper-connected and hyper-complex "system of systems" since 2009.[26] In his 1985 work "Simulacra and Simulation," Baudrillard drew on a Borges fable about the cartographers of a great Empire who drew a map of its territories so detailed that it was as vast as the Empire itself; as the actual Empire collapses, its inhabitants increasingly believe the map to be real and begin living their lives within its abstraction, a problem familiar to students of economics.[27] The fable, which inspired the novel *The Matrix*, recalls the complexity of Lombardi's work. Cole says that in order for the investor to succeed in today's "infinitely complex and impossible" market environment, he or she must be able to think as both a mathematician and an artist:[28]

In the post-modern financial system markets are a self-fulfilling projection unto themselves while trending toward eventual disequilibrium. While it may be natural to conclude that the real economy is slave to the shadow banking system, this is not a correct interpretation of the Baudrillard philosophy. The higher concept is that our economy is the shadow banking system . . . the Empire is gone and we are living ignorantly within the abstraction. The Fed must support the shadow banking oligarchy because without it the abstraction would fail.[30]

ACKNOWLEDGMENTS

MY THANKS GO FIRST AND FOREMOST TO ALI AMIR Ebrahimi, who has nurtured me, counseled me, and otherwise put up with me during the gestation of an unusually long and difficult book. I will always be indebted to his love and patience.

My thanks also go to all those who gave generously of their time and memories: to Don, Laura, Lisa, and the lovely, late Shirley Lombardi; to Day Barlow; to Joe and Susan Amrhein, Greg Stone, Irv Tepper, Lindsey Nobel, Karen Wallbridge, Hilary Maslon, Deven Golden, David Henry Brown, Raphael Vargas-Suarez, Sam Orlofsky, James Hatchet, Michael Hollis, Andy Feehan, Igor Alexander, Don LoCalio, Ted Calloway, Jesse Lott, Kathy Heard, Donald Quaintance, Ibsen Espada, Paul Schimmel, Robert Stout, David Ross, Lawrence Rinder, Janie C. Lee, Chris Perez, David Kiehl, Carter Foster, Fred Tomaselli, Thomas Girst, Peter Eigen, Gillian Dell, Dan Brush, Mickey Curtin, Los Angeles super-lawyer Leonard Gumport, and Officer Hendricks and Detective Vulich of the 90th Precinct in Williamsburg; to Maxwell Anderson for sharing his unique insights into the workings of the art world; to Asher Edelman for a highly entertaining afternoon.

A very special thanks goes to James Harithas for his generosity, both in time and spirit. I owe the same to Bill White and to Sissy Farenthold for helping me to "look behind the fog." I also wish to thank Roger Hurwitz, Robert Tolksdorf, David Eppstein and Mark Gorton for shedding light on Mark Lombardi's contribution to the world of computer science. Special thanks also to Reza Bahar of Depfa Bank and Denis Pêtre of the Bank for International Settlements for contributing their financial wisdom. Thanks also to Russ Baker for his help, and to Jay Barksdale of

the New York Public Library.

Last but not least, I wish to thank Charlie Winton for giving me the opportunity to write this book.

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